

# *The* **NATIONAL** **UNDERWRITER** *Life Insurance Edition*

## How to Take a Pension Case in Stride

PENSION cases sometimes have a way of looking formidable—even to the experienced salesman who may never have tackled one. But not to H.E., former high school coach and now a relatively new N<sup>W</sup>NL agent in the Midwest. He recently lined up his first such case, involving five lives (we write 'em any size), and with the ever-ready help of Northwestern National Life's Pension & Tax Department solved the client's problem in just 13 days. Here's the story:

In the course of normal prospecting, H.E. learned that the local bank was considering a pension plan. He asked to make a bid, then submitted to the home office the specifications of the plan in which the client was interested. The home office evaluated all data, prepared a proposal incorporating features which seemed necessary to meet all needs of the client, and cooperated with the client's counsel. H.E. made the presentation and promptly closed the case on the basis of the proposal worked out by the home office.

Result: Another satisfying sale completed; another client well served. And Agent H.E. received top commissions which this year and for many years ahead will be a welcome "bonus" on top of his normal earnings.

It's happening every day, not only to N<sup>W</sup>NL agents but to brokers, too. Next time you as a broker get a line on a pension case that requires a technical assist, call the nearest N<sup>W</sup>NL agency or contact our Pension & Tax Department directly.

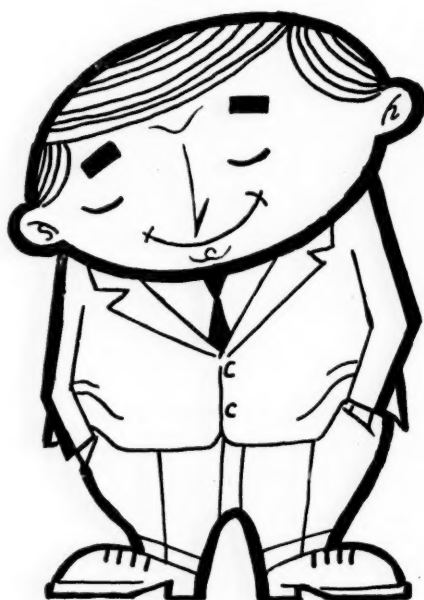
**NORTHWESTERN NATIONAL LIFE**  
**OF MINNEAPOLIS**

*40 years' experience in brokerage service*

Fourth in a series

**FRIDAY, OCTOBER 19, 1956**

# A NOD IN PASSING



Boss Man says not to make much noise about this one.

Just to give it a nod in passing, to save the fireworks for 5.

Anyhow, Continental Assurance Company now has four billions in force.

Thanks!

## FOR YOU

## ...more chances to sell better

Increased limits of life issue, both standard and sub-standard. *Term insurance up to 300% mortality.*

For pilots and crew members of United States scheduled airlines and for many private pilots . . . all plans of life insurance available at *no extra charge and with standard underwriting.*

\$25,000 minimum size life contracts with low cost for the big life case. Ordinary and 25 pay life. Guaranteed cost. *Regular Underwriting.*

Group special. Insurance protection for the business with 10 to 24 employees. Life, accident and sickness, hospital, surgical, special accident.

Simplified monthly income contract—commercial disability coverage.



For top quality advice and specialized service on life, accident, health insurance and pensions—on an individual and group basis—call any of our more than 100 offices throughout the country. *Connecticut General Life Insurance Company, Hartford.*

## Connecticut General



## ARE YOU ON THE OUTSIDE LOOKING IN?

This year, qualified agents of Pacific National Life are conventioning in Hawaii. Wouldn't you like to include such agency plans in your future? Open the door to a Pacific National Life general agent career for yourself. Look at any general agent in Pacific National Life territory. You'll see the advantages of a Pacific National Life career.

Write to: Kenneth W. Cring, Vice-Pres. & Supt. of Agents. Get on the winning team now!

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President

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“Franklin has enjoyed remarkable growth in assets, surplus, and insurance in force, and is now the *largest\** legal reserve stock life insurance company in the United States devoted exclusively to the underwriting of Ordinary and Annuity plans.

The results achieved by the company have been *most* favorable. In our opinion it has *most* substantial over-all margins for contingencies. Upon the foregoing analysis of its present position we recommend this company.”

—From *Best's Life Reports 1956*

\*Italics are editor's emphasis



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**FRANKLIN LIFE INSURANCE COMPANY**

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

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*Over Two Billion Two Hundred Million Dollars of Insurance in Force*



LIVING INSURANCE IN ACTION

## The Man from Equitable who helped to pay 230 medical bills

Of course, no one man is faced with so many bills at once. But this Man from Equitable helped to provide payment for 230 of his clients' medical bills through Equitable's Major Medical Expense insurance policies he had sold them.

Sorry as he was that his clients had been ill, the Man from Equitable had a deep feeling of pride that his services had proved

so useful and helpful to so many people.

He felt proud, too, of his work for the community during leisure hours. Sometimes it was putting on an amateur show at the Army Post. Other times, it was raising money for a local charity. But whatever the cause—as long as it was worthwhile—everybody knew that he could be depended upon to do a job willingly.

The Man from Equitable was happy that he had chosen insurance as his profession.

**Living Insurance**  
by **Equitable, New York**

The Equitable Life Assurance Society of the U. S., 393 Seventh Avenue, New York 1, N. Y.

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# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Life Insurance

60th Year, No. 42  
October 19, 1956

## Financial Section Ends ALC Meeting in Hopeful Mood

Some Concern Expressed over 'Easy Credit', Threat of Inflation

The optimistic note that marked the American Life Convention annual



W. S. Henrion, vice-president and treasurer of Woodmen Accident & Life, (right) the new chairman of the Financial Section of ALC, is congratulated by the out-going chairman of the section, Henry H. Edmiston, vice-president of Kansas City Life. Other officers of the Financial Section elected last Friday during the concluding events of the week-long ALC meeting, were Perry S. Bower, assistant general manager and treasurer of Great-West Life, secretary, and John B. Siegel Jr., vice-president of Life of Virginia, vice-chairman.

meeting in Chicago last week continued into Friday when the Financial Section met, wound up the week-long ALC gathering, and heard Devereaux C. Josephs, chairman of New York Life, rule out the possibility of a major economic collapse in his projected analysis of the economic horizon for the next decade.

"Our excellent economic prospects are based on two supports," Mr. Jo-

sephs said, "the supply of labor and its productivity. We have now the largest labor force in the history of our country. On top of that will be a 15% addition by 1966."

Mr. Josephs was joined by five other men who presented their economic views—most of them generally quite rosy, but mixed with some concern over "too easy" credit and threats of inflation. The other speakers were

(CONTINUED ON PAGE 22)

## Proposed Mortality Table Seen as Boon to Newer Insurers

The new ordinary mortality table now being developed should be ready in time to be offered to the National Assn. of Insurance Commissioners at its December meeting and, if accepted, to the 1957 legislative sessions for enactment into permissive legislation, Alfred N. Guertin indicated in his report as actuary of American Life Convention at last week's meeting of ALC in Chicago.

Mr. Guertin is chairman of a special committee of Society of Actuaries to cooperate with NAIC in the construction of the new table.

Since the legislation would merely be in the direction of making it more feasible for companies to charge premium rates in line with improved mortality, Mr. Guertin foresaw no obstacles being raised but he reminded his listeners that legislation in more than 40 states is being contemplated and in spite of the undisputed merits of the project it will be no minor job to get it enacted.

The chief effect will be to eliminate or minimize the need for "deficiency reserves" on non-par policies issued at gross premium rates lower than the net rates called for under the mortality and interest assumptions being used for such policies. A company that has been in business for a long time has usually accumulated enough surplus so it can handle these deficiency reserves without trouble, but for a small, new company that is expanding rapidly, the deficiency reserve requirement can be a severe strain, restricting the amount of business it can write and or causing it to pitch its premium rates at unrealistically high levels that make competition more difficult.

A new mortality table based on recent experience would result in net

(CONTINUED ON PAGE 24)

## CIO Backs New Mich. Health Insurance Plan as Rival to Blue Cross

LANSING—What is regarded as a serious threat to dominance of the Blue Cross-Blue Shield hospitalization and medical care program in Michigan was the organization during the past week in Detroit of a CIO-backed pilot program to devise a "community health association."

Walter P. Reuther, CIO-AFL vice-president and head of the United Automobile Workers, inspired the organizational attempt following frequent criticisms over the past year of Blue Cross-Blue Shield operations. Michigan Hospital Service (Blue Cross) and Michigan Medical Service (Blue Shield) now provide hospital-medical coverage for some 3½ million persons in the state, of whom an estimated one-third are UAW members.

Reuther has contended that repeated rate raises by the hospital-medical services were primarily an evidence of administrative weaknesses and were not warranted under a properly operated plan.

A board of directors to set up the new community association was created at the organizational session. Reuther explained the intention is to provide a program making possible "comprehensive medical care of high quality through pre-payment" for both families and individuals. He denied the plan's facilities would be confined to union members or that it would necessarily supplant any existing plan. Broader coverage is the main objective, it was indicated. A proposed constitution was drafted to be submitted for formal adoption at a Nov. 12 meeting.

The Lupien agency of Phoenix Mutual Life in Detroit has moved to 16820 James Couzens Highway.

Beers, Aetna President, Expresses Concern but Not Alarm in ALC Talk

Indicating a "somewhat relaxed attitude as to any harm that may have resulted so far"

from jumbo group, President Henry S. Beers of Aetna Life told the recent annual meeting of American Life Convention in Chicago that he nevertheless sees clearly that excessive individual amounts of group and top-heavy schedules "represent a diversion of group insurance from its important, primary purpose of providing health and welfare plans for tens of millions of employees in groups, both large and small."

Mr. Beers continued:

This diversion of group insurance from its primary purpose, however pressing may seem the special needs pleading for the diversion, bids fair to lead to collateral effects that may greatly hinder group insurance from doing its primary job with maximum efficiency. Without taking the time to be specific about the causes of my fears, I will say this: That I am hoping against hope that the forces favoring legislative limitations of amounts of group life insurance succeed in 1957 in certain important areas where they have so far failed.

For example, if the three states of New York, California, and Michigan could be added next year to the list of states adopting the 20/40 rule, we could be very hopeful of its ultimate universal acceptance. This is not to say that I'd insist rigidly on the 20/40 rule. Some people think it is outmoded by recent inflation. I'd take a 20/50 rule or a 20/80 rule, or any reasonable rule that gave prospect of friendly unanimity among all interested.

However, if the forces opposing limitation—and they are both numerous and convinced that justice and right are on their side—if these forces prove stronger in those three states in 1957 than the forces believing that limitation is necessary, I fear that the tide may start to ebb pretty quickly, and not only the 20/40 rule, but any rule, may soon become a thing of the past.

I view this possibility with dread. On the other hand, I don't think we will face the necessity of closing down our group division in despair. We'll find some way to cope with whatever bad collateral effect may follow from

(CONTINUED ON PAGE 16)



Henry S. Beers

## Late News Bulletins...

### Jackson Takes HIAA Company Relations Post

Health Insurance Assn. of America has named Frederick W. Jackson assistant director of company relations at New York. He joined Equitable Society as group department service supervisor in 1940 and has been assistant manager of the department since 1951.

### Cut Credit A&S Rates 20% in N. C.

RALEIGH—Credit A&S rates will be cut 20% in North Carolina Dec. 1, Commissioner Gold has ruled following a public hearing covering the loss experience on this line. The rate will drop from \$2 to \$2.50 and will reduce the charges made by a small-loan company on a typical loan (\$50 for 60 days) by about 90 cents. Last year Mr. Gold ordered a cut of 25%, from \$3.30 to \$2.50. He said at the hearing he had expected the loss ratio to increase substantially but had been disappointed to see it advance from 30% to 31%.

The commissioner permitted the companies to add adjustment expenses, which they estimated came to 7% of premiums. Even so, he said "to my mind 38% is not high enough for a loss ratio." However, he said later he had no particular figure in mind as the right loss ratio. Vice-president Kirk Landon of American Bankers Life of Florida, told the commissioner that any rate reduction would cause some of the 297 small-loan companies currently operating in North Carolina to go out of business. Mr. Gold set Dec. 1 as the deadline for appeals from his order.

## N. Y. Life Expands Its Term Portfolio

To permit greater flexibility in insurance programming, New York Life has expanded its term insurance portfolio by adding five plans and two term riders.

Among the new plans are three policies, each with a \$10,000 minimum amount. One is the modified 10-year term-whole life under which the premium during the first three years is at a lower rate than that for the remainder of the 10-year term period.

The other two new plans, whole life with family protection benefit and whole life with 7-year double protection, are essentially term coverage combined with whole life. Premium rate, illustrative net payments and net costs are particularly favorable for the plans available under the new program because savings in expenses are expected to result from a high average size policy.

Another new plan is the income security policy, developed to assist in social security programming. It is adaptable to many insurance needs since it is available for term periods of from 10 to 50 years subject to a maximum termination age of 70.

As additional features, several plans providing term coverage to age 70 are now available and a number of underwriting liberalizations have been made, including an increase in retention limits for term coverage.

### To Address Life & Trust Council

Earl R. Hudson, president of Kennedy Sinclair, Inc., New York City firm engaged in programs of trust promotion for banks, will address District

of Columbia Life Insurance & Trust Council Oct. 29 at Hotel Washington. His topic will be "Maximum Advantages in the Application of the Marital Deduction."

## Ex-Commissioner's Conspiracy Trial To Begin Nov. 5

The trial of former commissioner D. D. Murphy of South Carolina and four other insurance men has been set for the week of Nov. 5. They are charged with conspiracy to defraud in connection with the sale of Capital Life of Columbia, S. C., to United Ins. Co. of Chicago.

Other defendants are G. R. P. Farquhar and Bradley Layton of Columbia, and O. T. Hogan and Paul Temple, of Chicago. The state will proceed without Mr. Temple, who so far, has successfully fought extradition to South Carolina. The state contends the company, which was sold for \$3 million, was worth only \$2 million.

## New Illinois Hand-Book Is Off the Press

A new Underwriters' Hand-Book of Illinois has just been published by the National Underwriter Company. It provides complete and up-to-date information on the agencies, companies, field men, general agents, brokers groups and other organizations affiliated with insurance throughout the state, except for Cook County, for which a separate Hand-Book is also published. Copies of both the new Illinois and the Cook County Hand-Book may now be obtained from the National Underwriter Company, at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12 each.

## Economics Society Reelects McCord

E. A. McCord, president of Illinois Mutual Casualty, was reelected president of Insurance Economics Society at the annual meeting last week in Chicago.

The society met at the Edgewater Beach hotel at the same time as American Life Convention. Theo. P. Beasley, Republic National Life, was elected 1st vice-president; W. J. Hamrick, Gulf Life, 2nd vice-president, H. O. Fishback Jr., Northern Life of Seattle, secretary. E. H. O'Connor is managing director.

Named to the executive committee for three years were W. G. Alpaugh, Inter-Ocean; Travis T. Wallace, Great American Reserve; V. J. Skutt, Mutual Benefit H. & A.; A. D. Johnson, United, and S. L. Horman, Time of Milwaukee.

Mr. McCord in his presidential address detailed the work performed by the society last year and complimented Mr. O'Connor on the achievements he has been able to make. Reporting as managing director, Mr. O'Connor reviewed legislative developments in the social security field, particularly the 1956 amendments. All bills pertaining to compulsory cash sickness insurance were defeated in state legislatures last year, and no state has adopted a compulsory plan since 1949, Mr. O'Connor said.

Insurance Economics Society is rounding out 14 years of activity during which it has followed a program of vigorous opposition to compulsory health insurance at both state and federal levels. The society is now a storehouse of information in the realm of state and federal developments and proposals.

## List More Speakers for LIAMA Meet Nov. 11-16

A symposium on methods of helping managers recruit agents will be held during the Wednesday morning session of the Nov. 11-16 annual meeting of LIAMA at Edgewater Beach hotel, Chicago.

Participants in the symposium, called "Building for Growth," will include J. B. Pryde, superintendent of agencies of Imperial Life of Canada; F. V. Olmhausen, vice-president and manager of agencies of Great Southern; Myron E. Dean, regional agency vice-president of State Farm; Raymond C. Johnson, vice-president in charge of agency affairs of New York Life, and Glen J. Spahn, 2nd vice-president of Metropolitan.

Charles M. Dunn, president of Canada Assn. of Life Underwriters, will open the session by discussing "Assistance in Selling." A. Jack Nussbaum, Massachusetts Mutual, Milwaukee, president of National Assn. of Life Underwriters, will speak on the topic, "What Would I Do?"

A symposium, "Training at the Grass Roots Level," will include Hollis L. Manley Jr., supervisor of training of Amicable Life; John H. Evans, vice-president and manager of agencies of Home Life of New York; Glenn C. Tompkins, superintendent of agencies of Equitable Life of Iowa, and

Carl P. Lundy, superintendent of agencies of Prudential.

Raymond C. Swanson, agency vice-president of Monarch Life, will describe his company's "Operation by Design." George W. Jackson, Connecticut Mutual, Indianapolis, will close the session with a talk, "It Doesn't Take Miracles."

## Nussbaum Honor Guest at B.M.A. Breakfast

Most agents have enough life insurance knowledge to write twice as



E. H. O'Connor



W. D. Grant



A. Jack Nussbaum

much business as they do; what they need is to have their selling skills sharpened up, said President A. Jack Nussbaum of National Assn. of Life Underwriters in his talk at the traditional breakfast given by Business Men's Assurance during the recent American Life Convention annual meeting at Chicago.

Presiding at the breakfast and introducing Mr. Nussbaum and a number of the other guests was W. D. Grant, executive vice-president of B.M.A.

Mr. Nussbaum, an agent of Massachusetts Mutual at Milwaukee, said that if the good agent still further improves his sales technique the recruiting problem will be lessened. The NALU chief also reminded his audience that in spite of all the new wrinkles in life insurance policies and salesmanship there are just two things that every widow wants to know: How much monthly income will she have to live on and will it last as long as she and her children will need it. Mr. Nussbaum gave credit for this succinct statement to Marvin Mobley, Decatur, Ga. After the breakfast, Mr. Nussbaum made available copies of Mr. Mobley's leaflet embodying this thought.

## British Insurance Men Surveys American Scene

Ronald W. Boss, secretary of Life Offices Assn. of England, spent a few days in Washington and Virginia, much of the time as a guest of Institute of Life Insurance and its Washington representative, Robert G. Taylor.

Mr. Boss, who is surveying life insurance activities and institutions in the U. S. and Canada, went to Washington after attending the annual meeting of American Life Convention in Chicago. He toured Washington and visited offices of the institute, ALC, Life Insurance Assn. of America and Health Insurance Assn. of America, where the public relations aspects of their programs were explained. He spent a day in Virginia visiting scenes of historic interest before leaving for New York.

Herbert A. Bell, former assistant director of agencies for Jefferson National Life, has been named vice-president and agency director of Investors National Life of Marion, Ind.

# REINSURANCE

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Your 1957 program is already on the drawing-board. Remember that Employers is the pioneer professional Reinsurer in A&S lines and builds the service your expanding plans will require.

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## Make GAMC a Federation of Local Units, Jackson Advises in Final Report to Board

Conversion of the General Agents & Managers Conference of National



L. W. Jackson

Assn. of Life Underwriters from its present individual member basis to a federation of local units "is a step which must necessarily be taken," in the opinion of Lawrence W. Jackson, which he expressed in a recommendation to the GAMC board of directors at its recent meeting in Washington. It was his final report, in as much as he had previously resigned to join Metropolitan Life as administrator of courses in the field training division.

Mr. Jackson expressed the hope that an appropriate committee would be appointed to give his recommendation serious consideration.

In his report, Mr. Jackson pointed out that the GAMC was formed as an individual-member body rather than as a federal of local units, the purpose being to make membership available to every NALU general agent or manager, especially those located in areas where there were no local managers' associations.

"This was obviously the democratic approach, and even though it created serious problems, such as dues collection, I nevertheless believe that experience has shown it to have been a wise plan," he said. "The GAMC could not have been formed originally as a 'unit' organization without first having convinced each unit of the necessity and importance of a national body. With the passing of time, with successful accomplishments and with the growing acceptance of the 'automatic' membership idea, the 'unit' relationship to GAMC is gradually coming about. It would seem reasonable to assume that in the course of another year or two every association will support the automatic procedure.

"At that time, I think the question arises, 'Is GAMC still an organization of individual members, or has it changed, at least for all practical purposes, to a federation of local groups?'

"This question acquires added significance when the subject of increasing GAMC dues is raised—as it inevitably will be raised. With 'automatic' associations all over the country, what happens if GAMC feels dues should be increased to \$10, \$15, \$20,

or whatever? Perhaps all would 'go along,' but if so, I suspect it would represent something of a modern-day miracle. Would GAMC really have the 'control' or would it, in this evolution from individual member to automatic status, have in reality passed to the locals? Certainly the matter of the 'right' of GAMC to arbitrarily raise the dues under the circumstances would be up for review."

This prospect led Mr. Jackson to

wonder if perhaps the next and proper procedure—after 100% automatic status is reached—is for GAMC to change its structure to that of an organization of local units.

"It would seem to me," he said, "that a local association which has already taken the major step of requiring its members to belong to GAMC, would have no serious objection to a formal affiliation. As a matter of fact, such affiliation would necessarily carry with it local representation and a delegate group would

have to be formed after the manner of NALU.

"Now, going back to the beginning, where would such an arrangement leave the general agent who is not located near a local managers' association? My answer is that it doesn't leave him in any different situation than are many members of NALU presently. Since of course there are more life underwriters' associations than managers' groups, it is only a matter of degree. Probably some type of non-resident membership plan

(CONTINUED ON PAGE 20)

# Mr. Agency Builder:-

## How Happy Can You Be?

You'll Never Know Until You

Investigate

NEW  
Golden Rule

AGENCY  
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A NEW DAY

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PENSION  
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with

### The GOLDEN RULE COMPANY

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10 BIG  
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TOP COMMISSION on 15 leading contracts. Long term vested renewals. Cash bonus and extra renewals to your agents for recommending new agents.

MONEY-MAKING SALES PACKAGES. New! Colorful! Dynamic! Plus a new, easy-to-use Brain-Book and Brain-Kit. Your agents can't miss!

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Age to 42, college mandatory, minimum five years inclusive Pension experience required. Prefer some Home Office background. Any actuarial experience relevant. Man will organize and manage Production Department, Midwestern Company of highest repute and progressive management. Starting salary quoted is not absolute maximum, higher figure for heavier background. We guarantee confidential handling of all inquiries. Employer pays fee and moving expenses.

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Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington D. C., and West Virginia.

## Pru Leads in Number of CLU, LUTC Students

Prudential this year again led the business in number of employees passing one or more parts of the 5-part CLU course. Of Prudential's 284 successful students, 44 completed the examination series and were awarded the CLU or CLU associate designations.

The company also led the industry in number of employees who passed Life Underwriter Training Council examinations, with close to 2,000 completing one of the two parts and almost

1,000 others becoming LUTC graduates. Prudential personnel represented more than one-fifth of the total industry enrollment in LUTC this year.

### Milwaukee Plans 4 LUTC Classes

MILWAUKEE—Two first year and two second year classes of LUTC are being organized by Milwaukee Life Underwriters Assn. Instructors will be Daniel L. Clark, Washington National; Walter Lathrop, Prudential; Edward W. Voss, North American Life of Chicago, and R. Wayne Allison, National Life of Vermont. LUTC chairman of the Milwaukee association is Roland E. Meissner Jr., New York Life.



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**LUCRATIVE FIRST YEAR & RENEWAL COMMISSIONS**

**A DOUBLE BARRELED SALES SHOT THAT HITS THE**

**BULL'S EYE... EVERYTIME**



If you think you are the right man and want **INCREASED INCOME, SECURITY, PRESTIGE, AND YOUR OWN MILLION DOLLAR AGENCY**... just mail completed coupon today. You have everything to gain!!

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I would like to know about your **ACCIDENT & SICKNESS and MILLION DOLLAR AGENCY BUILDERS PLAN**

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STREET.....  
CITY.....STATE.....  
My age is.....Life volume for 1955 \$.....



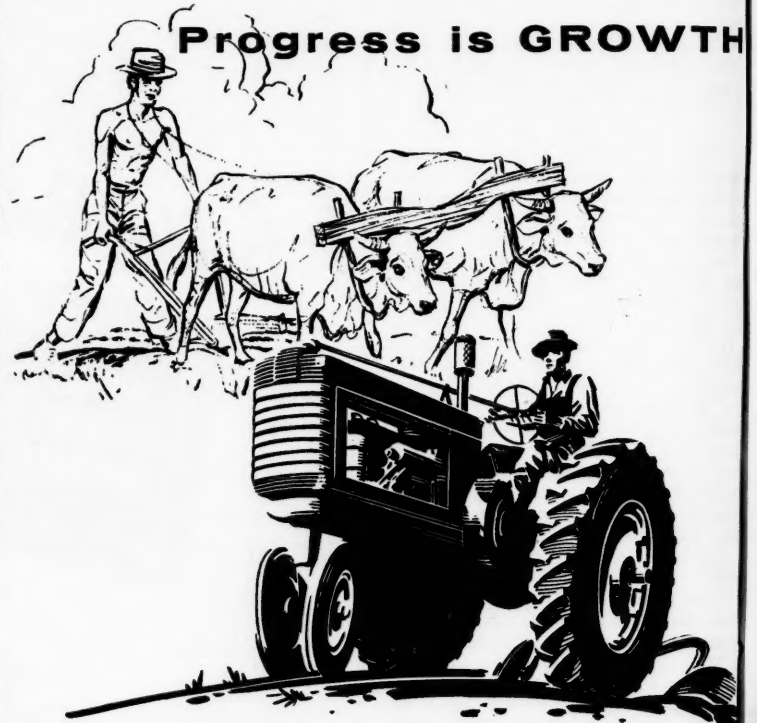
Hugh W. Davy, center, San Francisco, was elected president of Home Life of New York Managers Assn. at a conference of managers in Atlantic City. Robert W. Bremner, left, New York City, was elected vice-president. Hadsell S. Easton, Cleveland, became secretary.

### Detroit Agency Cashiers Elect

Joseph G. Stutzke of Lincoln National Life has been elected president of Life Agency Cashiers Assn. of Detroit. Other new officers are Charles D. Smith of Northwestern Mutual, vice-president; Dorothy L. Blood of Connecticut General, secretary, and Marion Siau of Fidelity Mutual, treasurer.

### Fidelity Mutual Holds Open House

Fidelity Mutual Life and its employees Fidelity Mutual Club sponsored an open house and hobby show which attracted 500 guests to the home office. Employees and retired employees displayed 70 exhibits of handicrafts and hobbies. Guided tours were taken of the building.



Life and Casualty Insurance Company has always followed a well planned course for progress. We look to the future with confidence. With well over a Billion Dollars of Life Insurance in force today, compared with the modest beginning of 1903, our goal of Two Billion Dollars of Insurance in force by 1960 is already assured of achievement. Aware of the abilities of the men and women in our field force, because of the marvelous accomplishments in the past, we are confident that this goal will be reached.



**WELL OVER A BILLION DOLLARS OF LIFE INSURANCE IN FORCE**



## Must Train Agents to Serve People in all Classes: Evans

Colonial Life agents must be trained adequately to provide the necessary services of life insurance to people in all classes of need, from those who can only pay their premiums weekly to the key executives and others who require programming of their more substantial



R. B. Evans



James G. Bruce

problems, President Richard B. Evans told a record audience at the 3-day annual sales meeting of combination agencies at Hotel Sheraton-Brock at Niagara Falls, Ont.

The home office staff also must be sufficiently qualified to serve these highly diversified needs, Mr. Evans declared. The great problem management faces is that when it produces a highly favorable product in one department, this unfortunately is accepted as an interpretation of management's desire to emphasize that one department.

Despite the growing economy, there are many people urgently needing protection who cannot meet a monthly premium requirement. Colonial has a responsibility to provide these people with the services the company has developed for them. Mr. Evans expressed the firm belief that the market for weekly premium business will continue.

Mr. Evans, whose talk was titled "The Need for a Balanced Diet in Life Insurance Selling," pointed to the need for a balanced diet of food to assure physical well-being. Colonial's supervised education for the entire field organization was designed as part of a program to recruit, train and direct the staff into a crusade of meeting all life insurance needs. The company seeks to develop salesmen well-versed in the intelligent programming and sale of life insurance for all classes of society. A programming job must be done for those who erroneously think they are self-sufficient under the new social security setup.

"Our company was established to serve all the life insurance needs of the area in which we operate," Mr. Evans continued. "I do not believe we are doing an adequate job. I am a firm believer in the principle of the 'proper diet' in our business and I do not want any of our field people to believe otherwise."

If a person has a rich store of knowledge and practices thinking, he can become a creator of valuable ideas, James G. Bruce, vice-president and secretary, said. There is no more valuable talent than the ability to produce an idea when it is needed to solve a problem.

Agents' training begins with acquisition of a store of knowledge. It is important to keep adding to that reservoir from which creative, remunerative ideas are drawn. Also, thinking must be done regularly or the brain seems to get rusty.

But knowledge and thinking skill are

not enough to create ideas that pay off, Mr. Bruce continued. But, by adding the letter "i" to the word "idea," the formula for success in life insurance emerges. With ideals, work is accomplished in the right way. Without them, there is inevitable trouble, discouragement, dissatisfaction and failure. However, he warned against concentrating on production and novel ideas to the point where judgment suffers. The only way to gain satisfaction in the job and higher earnings in the long run is to put service first and income second.

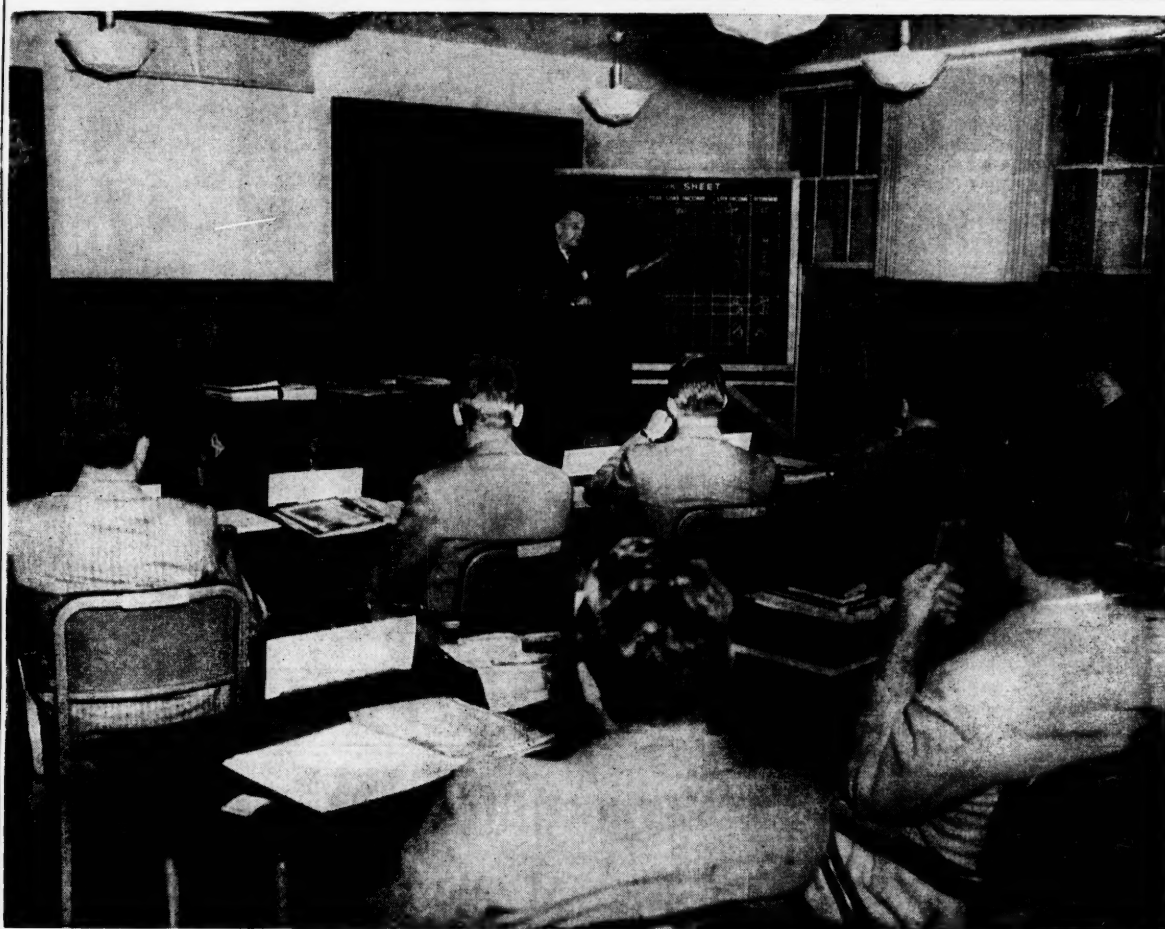
Frank De Young, director of conservation, said a candidate for the nation-

al quality award should write only people whom they are more than reasonably sure will keep their insurance even through adverse conditions. Quality prospects must be sold on a program tailored to their individual needs and ability to pay, and they must be serviced properly.

Robert H. Reid, executive vice-president and managing director of London Life, welcomed the delegates to Canada. He said his company's approach to the production and maintenance of life insurance is based on the needs and potentialities of the public, rather than on any selfish desire for company

growth or high income for agents. In actual experience, however, his company has found that all three go hand-in-hand. The better the company serves, the faster it grows and the more its agents profit.

Russell H. Freeman, manager of London Life at Toronto, said supervision in a combination agency should exploit trends that point to success, and thus accelerate the agent's rate of growth. Supervision should prevent which might lead to trouble if not stopped. It should close the gap between desired and actual human performance.



## How to put knowledge to use

**T**HE BEST life insurance sales procedures die on the vine unless they reach the man in the field. The important thing is to have practical facilities to pass along ideas, knowledge, and methods so that all men on the firing line have the opportunity to do top flight jobs. Connecticut Mutual's education and training program is geared to do just this.

**Three formal study programs:** Part I includes nine volumes of basic study for new agents; Part II is on programming and introduces business insurance; Part III covers taxes and business insurance and current problems in estate conservation and employee plans.

**Career Schools** for new agents are held several times a year in Hartford. They cover salesmanship,

sales procedures, unique and proved programming methods, prospecting and policyholder service.

**Advanced Underwriting Forums** are held periodically throughout the country to give Connecticut Mutual representatives the latest developments in business insurance and estate and pension planning.

**Life Underwriter Training Council** sponsors two-year courses in many cities. Connecticut Mutual provides scholarships covering a large part of the costs of these courses to build knowledge and skills.

**American College of Life Underwriters**, since its founding, has had wholehearted support by Connecticut Mutual. More than 100 Connecticut Mutual people are CLUs and many more have passed one or more of the five examinations.



**The Connecticut Mutual**  
LIFE INSURANCE COMPANY · HARTFORD

## Mutual Benefit Survey Shows Policyholders Satisfied with Service

Mutual Benefit Life learned that 94% of the respondents in a survey of 500 policyholders were satisfied with the service received when they recently corresponded with the company about their policies.

A third of the respondents praised the company for its record of good service to policyholders. Three percent indicated satisfaction with answers received from the company, but were dissatisfied with the length of time between their letters and replies. Three percent indicated dissatisfaction with the answers to their letters. Replies indicating dissatisfaction were followed up in an effort to discover the cause of the problem.

The public relations department, with the cooperation of the mathematical correspondence department, conducted the survey to learn whether policyholders were satisfied with company service. Postal cards were sent to 500 policyholders, and more than 50% replied.

The policyholders were asked if they received prompt replies to their inquiries, if the requested information was satisfactory, and if they were dissatisfied in any way with the service received.

President H. Bruce Palmer said the results clearly indicate that an excellent job is being done to provide efficient service and thus keep policyholder relations on a high plane.

## GAMC to Take Part in Exploratory Seminars for New College Course

The directors of General Agents & Managers Conference of National Assn. of Life Underwriters have approved a recommendation that GAMC take an active interest in exploratory seminars on the executive development course being developed by American College.

GAMC's committee on education and training recommended that GAMC participate in the course, help develop and promote interest in it, continue to promote the use of the existing LIAMA group study course, and help establish the executive development seminars.

Edward L. Reiley, general agent of Mutual Benefit Life in Philadelphia and chairman of the committee, said the proposed course would deal with the principles of agency management and would readily supplement the LIAMA course, which deals primarily with methods of agency management.

The board adopted a resolution of appreciation for the service rendered by the retiring GAMC chairman, Judd C. Benson, Union Central, Cincinnati.

## FRATERNALS

### Lutheran Brotherhood Passes \$700 Million

Lutheran Brotherhood had sales of over \$92 million for the first nine months of this year, boosting its total life insurance in force to more than \$700 million. Sales so far this year are 20.5% over the society's total for this same period last year. Assets have reached a total of more than \$115 million. Expansion of the society's field organization includes new general

agencies at Phoenix, Ariz., and Fort Worth, and new agents in Connecticut. Lutheran Brotherhood has established an eastern branch office in Philadelphia, headed by William A. Lundquist. A general agency also is being established in Philadelphia.

### Kansas Fraternal Changes Name

Ancient Order of United Workmen of Kansas has changed its name to First Kansas Life Insurance Association. This is a change in name only and all contacts entered into under the old name will be performed under the new.

## Assn. of Life Medical Directors to Meet in New Orleans Oct. 23-25

Assn. of Life Insurance Medical Directors of America will hold its annual meeting Oct. 23-25 at Roosevelt hotel, New Orleans, with an expected attendance of 275.

Most of the program will consist of scientific reports by prominent authorities. Heart disease, diseases of the digestive tract, detection of coronary diseases, atherosclerosis and cancer are among the topics to be discussed. The

meeting will end with a symposium on health insurance.

### Institute Lunch Nov. 8

Insurance Institute of America will hold its annual conference luncheon Nov. 8 at Plaza hotel, New York City. Harry J. Loman, executive vice-president of the institute, is in charge of the affair.

Home Life of New York has changed the telephone number at its home office to BEekman 3-6400.

# PHOENIX LEADS

## EXECUTIVE EQUITY PROTECTOR

### A WHOLE LIFE PLAN — CASH VALUE EQUALS FULL RESERVE AT END OF FIRST AND SUBSEQUENT YEARS

#### ILLUSTRATION OF CASH VALUES

AGE	ANNUAL PREMIUM	END OF YEAR							
		1	2	3	4	5	10	15	20
35	\$24.12	\$18	\$35	\$53	\$ 70	\$ 88	\$181	\$276	\$372
45	34.34	24	47	70	93	117	234	349	459
55	51.59	31	61	91	121	151	295	427	546

- \$25,000 minimum policy.
- Issued to 500% mortality.
- Full retention to \$500,000 — without reinsurance, ages 16-75.
- First Year Commissions — 25% to age 55; 20% ages 55 to 65; and 20% of age 65 premium for ages over 65.
- Our limit considered on photostatic copies of other companies' papers.
- Renewals — nine 10's.

# PHOENIX MUTUAL LIFE INSURANCE CO.



## Slate Breakfast Talks Nov. 13 at HIAA Forum on Individual Coverage

Five breakfast discussions will be held at the individual insurance forum sponsored by Health Insurance Assn. of America Nov. 12-13 in Dallas.

The sessions will be held the second day and will be limited to 30 persons each, with one representative allowed from a company at each session. Topics will be A&S age limits including over-age and paid-up insurance, uni-

form policy provisions and approval problems, over-coverage and duplication problems, claim problems and deductible insurance.

The forum, the first annual meeting sponsored by HIAA, will feature panels, clinics and speeches on various phases of individual insurance work. Topics will include brokerage A&S, special risks, major medical problems and A&S advertising standards. The final program, as developed by the annual forum subcommittee headed by John H. Lumley, executive vice-presi-

dent of Benefit Association of Railway Employees, Chicago, will be distributed later this month.

Presiding at the forum will be J. M. Wickman, 2nd vice-president of Mutual of New York and chairman of the standing individual insurance committee, under which Mr. Lumley's group functions.

V. L. Tickner has been retired as president of Great Eastern Mutual Life of Denver due to ill health. A. L. Cooper has been named executive vice-president and general manager.

## No Cheap Money, Easy Credit Without Inflation: Eccles

"The public must save more—spend and borrow less" if inflation is to be controlled, Marriner S. Eccles, chairman of First Security Corp., Salt Lake City, told the American Life Convention in Chicago last week.

"We cannot have cheap money and easy credit, which nearly everyone seems to want, without a further increase in the cost of living, which no one seems to want," said Mr. Eccles, former chairman of the Federal Reserve Board.

He called price increases by big business unjustified and said further increases in wages, salaries and fringe benefits must follow and not lead an increase in productivity if increases in the cost of living are to be curbed. He added that a tax slice was impossible if the government intended to maintain present expenditures and reduce the public debt. "If we are going to have the growth of which we are capable, without inflation, something has to give."

Mr. Eccles said the cost of living has increased 2% since March and at this rate the purchasing power of the dollar would drop about 4% per year. He said this purchasing power would have declined even more than it has had it not been for the 10.7% drop in farm income. Labor costs have risen from 40 to 50% in the last eight years, but increased productivity has not been able to match this figure. At the same time, large businesses have earned more, but much of these large earnings have gone into huge capital expenditures which provide increased production.

"As I see it," said Mr. Eccles, "next to maintaining the peace, the most important problem is to prevent inflation." He said he believed at least \$5 billion could be trimmed from the military budget, leaving the country with a more effective defense if military concepts were brought up-to-date in this atomic and hydrogen bomb age.

Mr. Eccles also recommended cutting foreign aid. "In the past 10 years we have spent nearly \$60 billion for foreign aid. We are gaining neither friends nor influence by a continuation of many of these expenditures. Yugoslavia and Indochina are recent examples."

"I agree fully with the restrictive monetary policy being carried out by the Federal Reserve. In the face of much opposition and inadequate powers available to it, I feel the Federal Reserve has done a creditable and courageous job in curbing the strong inflationary pressures," he said. He recommended that the Federal Reserve be allotted broader powers over the use of credit.

He expressed disappointment that both political parties were "encouraging rather than dispelling economic illusions" in talking about a four-day working week and increasing pensions to equal past living standards. These programs, he said, would greatly accentuate the present inflation problem.

N. E. Glassbrook, who recently retired as Central Division manager for Ohio National Life after 38 years, was feted at a farewell dinner in Lansing, Mich. Some 60 persons, including executives from the home office and Ohio National agency heads from Michigan, Illinois and Indiana, attended.

# MUTUAL S AGAIN!

## NEW LOW ANNUITY RATES

### RATES REDUCED — COMMISSIONS RAISED ON SINGLE PREMIUM LIFE ANNUITIES

#### SINGLE PREMIUM FOR \$100 ANNUAL INCOME

		Age 45	Age 55	Age 65	Age 75	Age 85
NON-REFUND	MALE	\$2,190	\$1,712	\$1,225	\$ .794	\$ 462
	FEMALE	2,400	1,944	1,440	981	568
INSTALLMENT REFUND	MALE	2,310	1,909	1,490	1,088	818
	FEMALE	2,470	2,061	1,634	1,280	930

#### ADDITIONAL SINGLE PREMIUM PLANS AVAILABLE

- Deferred Installment Refund Annuities
- Joint and Survivorship Annuities

COMMISSIONS INCREASED TO 2½%

# COMPANY OF HARTFORD, CONN.

## A &amp; S

## Milwaukee A&amp;H Men Hear Coffey Hit SS 'Invasion'

Extension of the social security system into the disability field by providing retirement benefits to employed persons of more than 50 years of age who become totally and permanently disabled, was protested by E. J. Coffey, Mutual of Omaha, addressing the Oc-

tober luncheon meeting of Accident and Health Underwriters Assn. of Milwaukee.

Mr. Coffey, also president of International A&H Assn., said it was "most unfortunate that social security should have extended itself into the disability insurance field," and added that there have been proposals to work for repeal of legislation which he described as "a government invasion of private business."

New officers installed by the Milwaukee group are Richard E. Mueller, Provident L.&A., president; John J. Frey, Prudential, executive vice-presi-

dent; Donald T. Williams, Metropolitan, vice-president; A. H. Bond, Jr., Bankers Life of Iowa, treasurer; and Leo E. Packard, Packard-Carson agency of Milwaukee, re-elected secretary for a 20th term.

## Launch Blue Shield in S. D.

SIOUX FALLS—A Blue Shield plan has been launched in South Dakota by the state medical association and has been approved by the insurance department. The Blue Cross organization of Sioux City, Ia., will act as sales agency for the South Dakota plan.

## Publish Uniform Terms for Surgical Claims

Health Insurance Council has published a 58-page booklet of uniform terminology to be used in identifying surgical procedures under surgical expense insurance.

The booklet, *Surgical Procedures, Classification and Nomenclature*, is primarily a guide for insurance people handling A&S policies and does not attempt to set up a set of fees to be charged for operations. Copies are being sent to member companies of the insurance trade associations comprising the council's membership.

The booklet is designed to help expedite claim payments under surgical expense contracts, and its standardization of terminology and classification also can be used by underwriting departments. Assigning a numerical code to the various procedures, it also may be adapted for statistical analysis.

The guide was compiled by the council's technical advisory committee headed by Morton D. Miller, associate actuary of Equitable Society, after consultation with a committee of the council on medical services of American Medical Assn. Copies may be purchased for 75 cents from Health Insurance Council, 488 Madison Avenue, New York City.

## Cooperative Offers Dental Plan and Opens Branch Medical Center

WASHINGTON—Group Health Association, a cooperative, has introduced a dental plan, said to be the first of its kind in the U. S., which offers continuing dental care for \$3 a month. To be eligible, subscribers must be GHA members and have their teeth put in good condition at their own expense at the outset, according to Dr. Frank H. Wallace, dental director.

A branch medical center will be opened in Silver Spring, Md. If it proves successful, other branches will be set up, according to Dr. Henry H. Lichtenberg, medical director.

Stevens Point, Wis.—M. S. Goch-nauer, manager of the Green Bay branch of Retail Credit Co., explained the preparation of insurance inspection reports to the September meeting of Central Wisconsin Life Underwriters Assn. Mrs. Adele Schein, New York Life, a member of the association, was honored as a qualifier for the Women's Quarter Million Dollar Round Table.



William P. Lynch, 2nd vice-president of Prudential at Jacksonville, Fla., (left) the new chairman of the Combination Companies Section of American Life Convention, is congratulated by the out-going chairman of the section, David F. S. Johnson, vice-president and manager of agencies, Interstate Life & Accident.

Do you want to add  
OVER \$100,000.00  
annual premium in hospitalization and A&H  
business and additional income from ordinary  
life besides? 51% control presently available.  
Balance probably available. No salaries to be  
assumed.  
T.C.V. SEDGWICK CO.  
Insurance Financing, Merger Specialists.  
P.O. Box 8123, Dallas 5, Texas

# The Selling Contract with Success and Security

Built in ... *LSF*

A sale for commission sake alone has no place in the Lifetime Security Franchise enjoyed by General American Life agents. Under the LSF program, each sale makes today's efforts contribute toward a comfortable retirement.

Instead of the usual 9-year renewal, commissions extend on through to provide life-time earnings... plus retirement income without a penny of contribution by agent.

The Lifetime Security Franchise also opens management opportunity right in the successful agent's home city through the multiple agency system. And LSF provides multiple-line selling with ordinary, group, and accident and sickness.

Here is the *career* approach that brings lasting satisfaction through extra benefits.



## General American Life Insurance Company

SAINT LOUIS

A MUTUAL LEGAL RESERVE COMPANY



## ASSOCIATIONS

### Los Angeles Assn. Told to Capitalize on New Social Security Amendments

Members of Life Underwriters Assn. of Los Angeles were told at a "coffee and donuts" meeting to capitalize on the new amendments to the social security law to help increase their life volume and build a new source of income.

Howard E. Nevenen, board member of International Assn. of Accident & Health Underwriters, said that great salesmen capitalize on outside influences and asked if his listeners had the capacity to recognize and capitalize on that factor.

Programming disability insurance follows the same basic development as life insurance planning, and it is only a matter of determining needs and presenting the coverage in force, he said. A good life insurance programmer can readily adapt A&S selling to his method.

Mr. Nevenen said the social security amendments "can be made useful in obtaining interviews with strangers and they are a wonderful excuse to give service to your old policyholders."

### Overtures of Political Patronage in Indiana Insurance Alarms Agents

INDIANAPOLIS—Indiana Assn. of Life Underwriters has asked pledges from the two major candidates for governor that they would divorce the state insurance department from political influence. The plea signed by Gene Verdon, Life of Virginia, Evansville, association president, expressed "alarm over patronage statements attributed to both Lt. Gov. Harold W. Handley, the Republican nominee, and Terre Haute mayor Ralph Tucker, his Democratic opponent.

Mr. Verdon said he referred to a statement by Mr. Handley that appointments to state jobs would be

cleared through county GOP organizations, and Tucker's assertion that any position that could not be filled by a Democrat should be abolished.

Oren D. Pritchard, Union Central Life, Indianapolis, executive committee member of the Indiana association, said Mr. Verdon's views represented those of a majority of the association's approximately 1,800 members.

**Grand Rapids, Mich.**—"Enthusiasm and its Relationship to Selling" was the topic for the first fall meeting of the Grand Rapids Life Underwriters Assn.

### Slate South Texas Sales Parley at Corpus Christi

Corpus Christi Life Underwriters Assn. will hold an annual South Texas regional sales congress at the White Plaza hotel, Corpus Christi, Nov. 2. Five top-notch speakers have been engaged. They and their topics are: Thomas B. Rosser, Metropolitan Life, Dyersburg, Tenn., "The Debit Agent Speaks"; Kenneth L. Anderson, managing editor of Insurance R&R, "Targets of Opportunity"; Stanley E. Martin, State Mutual Life, Dallas, "Prob-

lems of Life and Living"; Charles E. Gaines, vice-president and agency director of Tennessee Life of Houston, "The Sky's the Limit," and J. D. Soper, St. Louis branch manager of Sun Life of Canada, "Sales Tricks for '56."

A South Texas rustler's party, which will include a traditional Texan barbecue, will be held for agents and their wives.

### Flint Assn. Elects Gremel

Raymond G. Gremel of Manufacturers Life has been elected president of (CONTINUED ON NEXT PAGE)



**The backfield must keep moving in this game of selling life insurance successfully.** That's why the home office staff at Minnesota Mutual is out on the field backing up the line and demonstrating how to use sales tools that have no equals in the industry.

**This kind of backfield in motion puts new men into production fast . . . keeps good men growing . . . moves the best men into the end zone of advanced underwriting.** This kind of teamwork has made the "Star of the North" the fastest growing mutual company.

**All this is backed up by a higher pay incentive contract, with an unbeatable combination of persistency fees, that guarantees growing income to the man who writes quality business.**

**These are the real reasons why the "Star of the North" shines as a guiding light to many a career underwriter who has scored with . . .**



The Agent Minded

**MINNESOTA  
MUTUAL  
LIFE**

Insurance Company

Victory Square—St. Paul, Minnesota

## Money Talks

It Says—Good Producers will see a lot more of me with No Increase in Effort with a Mutual Savings Life **DIRECT CONTRACT**

DIRECT CONTRACT opportunities in Indiana, Ohio, Iowa, Kentucky, Missouri, Arkansas and Mississippi. A complete line of:

**LIFE** • ACCIDENT • SICKNESS • HOSPITALIZATION

Your reply held confidential. Write to: Evans M. Jacobson, Supt. of Agents

**MUTUAL SAVINGS**  
Life Insurance Company

5701 WATERMAN ST. LOUIS 12, MO.

## LIFE WITH PROVIDENT

### PERSISTENCY PAYS PROVIDENT PRODUCERS

Good persistency pays. Policyholders get good service. The salesman earns more commissions. The company keeps more business in force.

The savings brought about in better than average persistency are shared with those responsible for them — the salesmen. At our convention last Spring the 37 leaders in persistency divided a special cash bonus of more than \$21,000. And indications are that even more producers will divide an even greater amount of money at the next convention at Colorado Springs. Persistency pays cash!



**PROVIDENT LIFE & ACCIDENT INSURANCE COMPANY**

*Chattanooga—Since 1887*

LIFE ACCIDENT SICKNESS HOSPITAL SURGICAL MEDICAL



### Beginner? . . . or Twenty-Year Man? YOUR TRAINING IS CONTINUOUS when you're a Modern Woodmen Agent

Ask any Modern Woodmen Agent . . . new man or veteran . . . he'll tell you of a continuous training program which makes for a profitable career.

He'll tell you about Modern Woodmen's basic training in the office . . . how this is immediately followed by on-the-job training with actual sales interviews with a successful, experienced sales manager.

He'll tell you about Home Office advanced training, which thoroughly schools the Modern Woodmen Agent in the principles, uses and applications of life insurance.

He'll tell you that this training . . . on the job and in the office . . . is directed

by capable personnel who have mastered every phase of life insurance selling . . . men who keep abreast of the latest developments in the industry.

Increased earnings and the opportunity to "get ahead" are built into the future of the Modern Woodmen Agent. If you want a career with a future . . . one that gives opportunity to use your talents to the fullest . . . there's a place for you at Modern Woodmen.



**MODERN WOODMEN**  
OF AMERICA

Life Insurance Since 1863  
Home Office Rock Island, Ill.

(CONTINUED FROM PRECEDING PAGE)  
Flint (Mich.) Life Underwriters Assn. to succeed John T. Buchanan.

The other new officers are Ronald M. Swartz, 1st vice-president; Bert Christenson, 2nd vice-president; Albert I. Roder, secretary, and Thor Nielson, treasurer.

### N. Y. State Assn. Rally Nov. 2 in Syracuse

New York State Assn. of Life Underwriters will hold its fall delegate meeting all day Nov. 2 at Hotel Onondaga in Syracuse.

Among subjects to be discussed are the unincorporated business tax, group life limits in the state and pre-licensing requirements. Other topics will be added to the agenda. Local association presidents will submit reports on activities during the first few months on their terms. The Syracuse association will arrange the luncheon and program. State president is Harold W. Baird, Northwestern Mutual, New York City.

### Dallas Association Speakers Ready

A staff of 30 specially trained Dallas life agents is now available for speaking engagements this winter under the auspices of Dallas Life Underwriters Assn. The speakers bureau is a major phase of the public information program of the Dallas association for the current year. Topic of the speakers is "What You Don't Know About Life Insurance Can Hurt You—and Yours."

### Wiedemann Named Chairman for Northern California Sales Congress

V. Web Wiedemann, general agent for the Equitable of Iowa, has been named general chairman of the 1957 Northern California sales congress sponsored each year by the San Francisco Life Underwriters Assn. The congress will meet Jan. 10.

### Missouri Agents to Hold Annual Sales Congress at Columbia

Missouri Assn. of Life Underwriters will hold its annual sales congress Oct. 20 at Columbia. The association formerly held a two-day session with the sales congress on Friday and the business meeting on Saturday. This year both meetings will be held on the same day.

**Port Huron, Mich.**—Aubrey Oldham, Sarnia, Ont., manager for Mutual Life of Canada, addressed the first fall meeting of the Port Huron Life Underwriters Assn. His topic was "The Importance of National Assn. of Life Underwriters Membership."

**Oshkosh (Wis.)** Vocational school, in cooperation with local life agents, is offering part II and part III of the CLU course. Classes will be taught by P. E. MacKenzie, insurance instructor for Wisconsin schools of vocational and adult education.

**Janesville, Wis.**—Seven members of Southern Wisconsin Life Underwriters Assn. were presented with LUTC certificates at the opening fall meeting of agents from Beloit, Janesville, Stoughton and Clinton.

**Manitowoc (Wis.)** Assn. of Life Underwriters members were guests of the Sheboygan association at the September luncheon meeting that opened the fall season. The speaker was Wilbur W. Hartshorn, superintendent of agencies for Metropolitan Life.

**San Antonio, Tex.**—Association members at the September meeting heard a discussion of recent changes in social security benefits by John D. Palmer, director of San Antonio.

**Madison, Wis.**—Newly elected officers are John A. Raymond, Connecticut Mutual Life, president; John P. King, Bankers Life, vice-president; Paul D. Meyer, Franklin Life, secretary, and William Q. Murphy, Massachusetts Mutual Life, treasurer.



## POLICIES

### Confederation Offers \$25,000 Special Plan. Cuts Convertible Term

Confederation Life has introduced a preferred rate life policy called the "5-star special," featuring low premiums and high cash values, a participating whole life plan with premiums payable to age 90 and issued from ages 15 to 65 with a \$25,000 minimum.

All the usual supplementary and term rider benefits are available, subject to normal regulations applicable to these benefits. A sample premium, dividends and cash values per \$1,000 of insurance for age 35 are: Premium, \$22.24; first dividend, \$1.70; 10th dividend, \$3.97; 20th dividend, \$6.82; 20 premiums, \$444.80; total 20 dividends, \$83.28; net payments, \$361.52; average payments, \$18.08; cash value, \$362.00; net cost, 48 cents; average cost 2 cents; accumulated dividends at 4% for 20 years, \$113.00.

Convertible term has been reduced for all plans and ages. For term plans of more than 25 years, the conversion period has been extended to five years prior to termination of term coverage. The minimum policy is \$5,000. Sample rates for age 35 are: Five-year term, \$6.14; 10-year, \$6.93; 20-year, \$9.36, and term to 65, \$13.21.

### Equitable Liberalizes Non-Medical Practices

Equitable Society has increased the amounts of insurance available on a non-medical basis at all ages to age 30, with a \$15,000 maximum for ages 5 through 30. The maximum has been \$10,000.

The adjustable whole life policy has been made available on a non-medical basis at ages up to 30. The writing of insurance on minors under age 15 has been liberalized, in the absence of statutory limitations, by adoption of a less stringent schedule of amounts required on the applicant's life. Rules qualifying agents for writing non-medical policies have been liberalized.

Family income and term, unavailable in the past to women who were not self-supporting, now may be considered for dependent women in certain cases under the new procedures.

### Northwestern National Cuts Premium on 2 Plans

Northwestern National Life has reduced premiums on its elective life and term-to-65 policies. Elective life, previously sold in minimum amounts of \$2,500, now has a \$10,000 minimum. The term-to-65 plan retains its former \$1,000 minimum but at lower costs. Reductions in gross premiums vary by ages, but range from \$1.60 to \$2.52 per \$1,000, on non-participating, and from \$3.25 to \$5 on participating, resulting in a reduced net cost on both forms averaging \$2 per \$1,000.

### Old Line Life Writing \$25,000 25-Pay Life Plan

A new \$25,000 minimum 25-pay life policy has been added by Old Line Life

to supplement both a par and non-par special whole life minimum \$10,000 policy currently written. The new policy features high cash values, attractive premium rates and is a participating policy with first year and participating dividends.

### Franklin Life Raises Non-Medical Limits

Franklin Life has increased its non-medical limits for both men and women as follows: ages 0-4, \$5,000; ages 5-30, \$15,000; ages 31-35, \$10,000; ages 36-40, \$5,000. This represents an increase of \$5,000 at ages 5-35.

### Met Life Cites Elmhurst, Ill., as Top Ranking District Agency

Metropolitan Life has awarded its veterans trophy to the Elmhurst, Ill., district agency for leading all districts in U.S. and Canada in combined sales performance and general conduct of the business this year.

Patrick J. McNamara, a district manager in Chicago and president of Veterans Assn., presented the trophy at a dinner meeting to the Elmhurst district manager, William J. Wernecke. On hand were President Frederic W. Ecker; C. J. North, vice-president in charge of field management; Malvin E. Davis, vice-president and chief actu-

ary; Charles G. Dougherty, vice-president in charge of insurance relations, and Austin T. Schussler, superintendent of agencies in the midwestern territory.

### Indiana Assn. Hears Black

Larry Black, president of Commercial Services, Detroit, was the speaker at the October meeting of the Indiana Home Office Underwriters Assn. He spoke on "Underwriting from the Inspector's Point of View." The meeting was held at the Athenaeum in Indianapolis.

There's something special about a Maccabees Agent

# His new low-cost Whole Life Special Plan swings those sales!

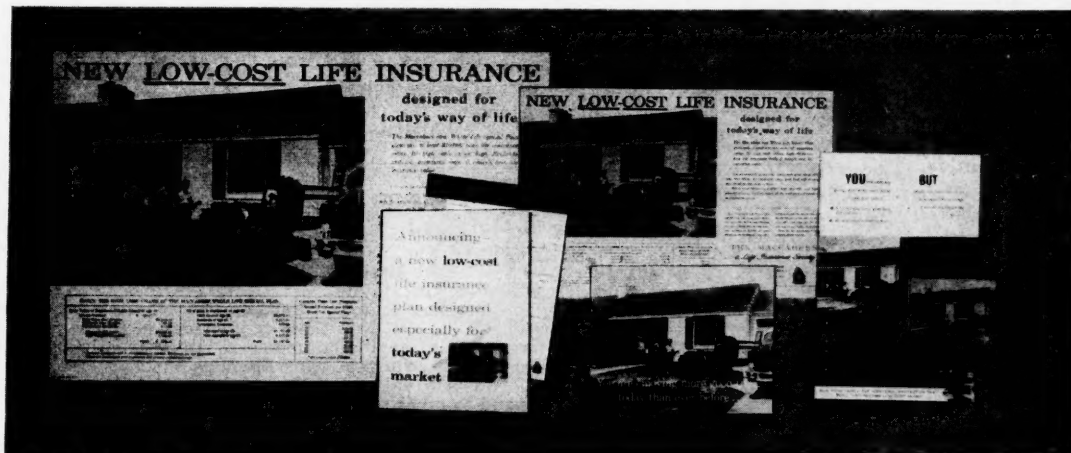
The Maccabees Agent has a lot to be happy about. His new Whole Life Special Plan overcomes the prospect's number one sales objection—cost! This plan is priced right—gives the prospect high protection, plus cash values that build up fast—all at low budget cost.

Too, The Maccabees Agent received a complete sales kit designed exclu-

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## EDITORIAL COMMENT

### Who Missed the Missing NALU Session?

National Assn. of Life Underwriters conventions have been getting so increasingly overstuffed in recent years that it has been a growing cause of concern to NALU leaders and many of the members. There is just "too much of a muchness." At the recent annual gathering in Washington, the NALU trustees and the American Society of CLU directors were in session as early as Saturday preceding the convention week. The NALU board did not conclude its deliberations until the following Saturday.

We would like to call attention to a hopeful sign, however: The usual Friday general session was omitted so that the entire morning might be left free for the ground-breaking ceremonies on the site of the projected NALU headquarters building. Since dedications won't be a standard feature of future programs, it means that this year's convention omitted one general session without any untoward consequences worth mentioning. It suggests strongly that future conventions could well do without one of the general sessions.

We are not prepared to say it is the Friday general session that ought to be eliminated—only that it would be highly desirable to hold the line and eliminate at least that much from future programs.

This suggestion is particularly pertinent, we feel, because the national council so overwhelmingly rejected the recommendation of the functions and activities committee that the mid-year meeting be abolished. Since the mid-year meeting is apparently going to be around for a long time, there is no possible argument that the annual meeting should be kept on its traditional huge scale to make up for the absence of a mid-year gathering.

One comment frequently made is that there are too many other things going on during "NALU week," so many that they interfere with the business of the main association. It was said that there were more than 160 separate events from Saturday to Saturday inclusive. This necessarily means that there were quite a few concurrent sessions at which members had to make hard choices between competing attractions or duties.

It's been said countless times before but it becomes more obvious each year: NALU meetings are more and more "working" meetings, rather than speech-listening-to sessions.

Yet the tradition of long and nu-

merous speeches, a carryover from the days when there wasn't much else to do at meetings except listen to speeches, seems to continue as a sacred obligation. Even if the speaker is windy and rambling the listeners seem to get a certain spiritual uplift through having endured the discipline of sitting through to the last line of the corny peroration.

We believe that the framers of NALU programs, before scheduling any formal speech, could well ask themselves, "Is a speech the only way we could give our members the benefit of what this man has to say? Does he really have a message that is worth the amount of time he is bound to take away from our essential work here?"

Perhaps NALU has arrived at the stage which many organizations reached long ago: They have little or no speech-making but instead they distribute written copies of papers and then the author just discusses the paper, as do other members. Each paper is sent out well in advance of the meeting and presumably anybody who is interested will have read it and be prepared to discuss it intelligently at the meeting.

This is the sort of thing that NALU does with nearly all of its numerous committee reports. Extension of this system to most of the other material that would otherwise be presented in speech form seems like a practicable and desirable way to cut down the amount of time spent in listening to talks.

Unquestionably, something needs to be done to bring NALU annual meetings down to a reasonable length. Because the scheduling of speeches seems so often to be due largely to a kind of instinctive obedience to a halloved ritual, we suggest that all members of the 1957 NALU program committee and any others who have a voice in NALU program policy hang on their walls the motto, "Is This Speech Necessary?"

### Chesapeake Life, New Company, Begins Business in Maryland

Chesapeake Life Insurance Co., with its home office at 11 St. Paul street, Baltimore, has received a certificate of authority in Maryland and has begun writing business.

The company has paid-in capital and surplus of \$500,000. It writes a complete line of dividend-bearing policies. It plans to expand to other states

and add an A&S and medical expense department.

President is Leonard H. Rosenberg, vice-president of Strasco general insurance agency of Baltimore and former state agent of Columbus Mutual. He has been in the life field for 20 years.

## DEATHS

**OSCAR STRASS**, 73, purchasing agent for Northern Life of Seattle, died after a week's illness.

## PERSONALS

**Benjamin D. Sallinger**, general agent of Mutual Benefit Life in New York City, will be guest of honor at the annual life insurance division luncheon of New York federation of Jewish philanthropies on Nov. 14 at federation headquarters for his leadership and efforts in behalf of the organization. **Harry Phillips III**, Penn. Mutual, and **Jay R. Lauer**, Continental American Life, are division chairman and associate chairman, respectively.

**Louie E. Throgmorton**, vice-president and director of public services, Republic National Life, spoke at the Georgia State Kiwanis convention in Savannah. He also addressed the Sales Managers of Florida, sponsored by the University of Florida, at Jacksonville.

**Joshua B. Glasser**, general agent in Chicago for Continental Assurance has been visiting his cousin, Robert Briscoe, lord mayor of Dublin. He and Mrs. Glasser will continue their European vacation with visits to France, Israel, Italy and Spain.

**Frederick H. Ecker**, honorary chairman and former chairman and president of Metropolitan Life, has been named chairman in Manhattan of the 1956 Christmas seal sale of New York Tuberculosis & Health Assn.

### Stock Dividend Responsible for 'Nosedive' in L.&C. Bid Price

The insurance stock table in the Oct. 5 issue gave a distorted impression of the behavior of the prices of Life & Casualty's stock. There was no indication that a 50% stock dividend was scheduled to be paid to stockholders of record Oct. 1 and was reflected in the Oct. 2 bid price of 24 but not in the 38½ price of a week earlier, shown for comparison. Thus, virtually all of the 14½ point drop was a reflection of the stock dividend.

**Indianapolis Life** has begun operations in Florida, increasing to 12 the number of states in which the company operates.

Four agents initially will represent the company in its new territory.

### Life Companies Take Corporate Character from Employees: Lloyd

A life company, perhaps more than any other kind of business, gradually assumes a character all its own, a reflection of the acts and attitudes of many persons over many years, R. McAllister Lloyd, president of Teachers, told Society of LOMA Graduates at a supper meeting in Harvard club, New York City.

Incentives in life companies as well as individuals have character, Mr. Lloyd said. The corporate personality may reflect the attitudes of present management, but more often in the life companies it is historical and results from the combined influence of many persons over a long period. Finally the corporate character becomes a tradition. It is so strong it alters the personality of the individuals working for the concern rather than being affected by those individuals.

This can be seen when a friend changes jobs, he said. The person soon assumes a different personality and character, and develops new incentives. Although it might be difficult for the public to recognize differences in the personality and character of large life companies, people in the business know these differences exist.

### Companies 'Get Out the Vote'

Washington National and Combined of Chicago are competing in a "Get Out the Vote" drive by urging home office employees to vote in the November general elections. The company that turns out a better percentage of voters wins a plaque. This is the third general election in which the two companies have competed.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.  
135 S. LaSalle St., Chicago, Oct. 16, 1956

	Previous	Current
Week's Bid	Bid	Asked
Aetna Life .....	178	176 179
Beneficial Standard .....	16	15 1/4 16
Cal.-Western States .....	85	85 87 1/2
Colonial Life .....	95	99 103
Columbian National .....	78	82 87
Commonwealth Life .....	19 3/4	19 1/4 20
Connecticut General .....	254	246 251
Continental Assurance .....	128	123 126
Franklin Life .....	80	80 82
Great Southern Life .....	71	72 76
Gulf Life .....	29 1/2	31 31 1/2
Jefferson Standard .....	117	122 125
Kansas City Life .....	1225	1250 1275
Life & Casualty .....	23 3/4	25 1/2 26
Life Insurance Investors ..	13 1/4	14 1/4 14 1/2
Lincoln National .....	224	219 224
Missouri .....	21	22 22 1/2
National L. & A. ....	86 1/2	90 92
North American, Ill. ....	19 1/2	20 21
N. W. National Life .....	75	83 87
Ohio State Life .....	225	226 230
Old Line Life .....	60	62 66
Southland Life .....	91	97 100
Southwestern Life .....	94	98 102
Travelers .....	70	73 74 1/4
United, Ill. ....	21 1/2	22 1/2 23 1/2
U. S. Life .....	27	28 1/4 29 1/4
West Coast Life .....	45	48 50
Wisconsin National .....	53	53 56

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EDITORIAL OFFICE:  
99 John St., New York 38, N. Y.  
Executive Editor: Robert B. Mitchell.  
Assistant Editors: John B. Lawrence, Jr.  
and Walter C. Crocco.

ATLANTA 3, GA.—432 Hurt Bldg., Tel. Murray 8-1634. Fred Baker, Southeastern Manager.

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CHICAGO EDITORIAL OFFICE:  
175 W. Jackson Blvd., Chicago 4, Ill.  
Associate Editor: John C. Burridge.  
Assistant Editors: Richard J. Donahue and Richard G. Ebel.  
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## Actuaries in Public Practice Elect Campbell; Study Technical Problems and PR Program

Members of the Conference of Actuaries in Public Practice at their annual meeting in Chicago this week took time out from discussion of technical problems to review what could be done in the way of public relations. After some discussion, a special committee was appointed to study means of: alleviating the shortage of trained personnel created by the growing need of actuaries in industry, acquainting the public with the nature and type of service performed by an actuary and publicizing the experience and technical competence requirements for membership in the conference.

Donald F. Campbell Jr. was elected president to succeed Harley N. Bruce. Other new officers are Harry S. Tresell, vice-president; Edward D. Brown Jr., secretary, and Harley N. Bruce, treasurer. All of the officers are of Chicago and were reelected directors for three-year terms. New directors elected are George B. Buck Jr. of New York City and G. Frank Waites of San Francisco.

In a discussion of pension fund investments, Richard L. Kennedy Jr. of Harris, Upham & Co. of Chicago, traced the growth and types of pension funds and expounded a recommended investment procedure. He pointed out that pension trust assets were at one time invested entirely in fixed income securities.

"However, within the last five years the pattern of pension trust investment has completely changed as emphasis shifts with the recognition of the importance of fund earnings in relation to costs or benefits—plus the important inflation factor," he said. "As cost conscious employers and benefit conscious employees became aware that a slight increase in fund earnings could reduce costs or increase benefits on a vastly multiplied rate, the performance of fund managers was scrutinized more closely. Investments at 2½% were not acceptable if 3½ or 4% could be achieved with due regard to safety."

He pointed out that inflation necessitated upward revisions of benefits, for which fixed income investments provided no offset. He said a good part of the answer to the problem, however, was found in common stocks—and thus investing in the true sense began.

The program recommended by Mr. Kennedy called for investment of 20% of the funds' assets in either marketable U.S. Treasury obligations or in non-marketable U.S. savings bonds, 40% in the corporate bond field 15% in preferred stocks bonds and the remaining 25% in common stocks.

"While questions may arise concerning all categories of securities, probably the most controversial and consequently the most interesting questions pertain to the use of common stocks," he said. "The shift to common stocks in recent years underlines the truism that investment patterns change with changing conditions. The crux of the common stock problem, however, is whether they are too high. There is no denying the fact that 1.37% spread between average stock and bond yields today, makes stocks less attractive for income than a 2 or 3% spread such as has prevailed in the recent past."

"Furthermore, examination of some of the blue chip favorites reveals in-

stances of yields below those of prime corporate bonds. However, many stocks with long and favorable dividend records are available at yields relatively attractive on an income basis. The problem has increasingly become one of selection in terms of fund objectives," he said.

"If trustees of a pension or profit sharing fund carefully estimate the liabilities of the specific trust, adopt investment ratios suited to these liabilities and then make purchases of securities relatively most attractive on prevailing markets, they may reasonably expect satisfactory results over a period of years simply through the operation of the law of averages. Common stocks tend to reflect inflation and income growth. If, therefore, suitable common stocks are acquired, as funds become available, at various market levels, favorable results are a reasonable expectation."

On the questions of timing of purchases, Mr. Kennedy said "a savings of a few points over a period of weeks sinks into insignificance over a period of years. He said that selection of purchases, however, is another matter since a pension or profit-sharing trust can survive bad timing but no trust can survive bad selection."

He concluded that a fund manager who first carefully estimates liabilities, diversifies his holdings according to the formula presented earlier and follows a consistent program of steady purchasing and periodically reviews his holdings in terms of changing conditions, may reasonably expect satisfactory results.

An involved algebraic approach to solving the evaluation problems of increased value of stocks held by insurers was offered by Frank F. Burke, assistant actuary of the Texas insurance department. He suggested, however, that there is possibly an easier solution, which would be to allow companies to establish the full market value of the stocks, assuming insurance department approval, but to require them to set up as a liability the amount in excess. The excess, he explained, would be determined on the basis of the unadjusted year end capital and surplus, if that were standard.

The actuarial soundness of the social security act as amended was explained by Robert J. Myers, chief actuary of the Social Security administration. He said the concept of actuarial soundness as it applies to the OASDI (old age, survivors, and disability insurance system as it is now known) differs considerably from this concept as applicable to private insurance although there are in his opinion certain points of similarity—especially in regard to private pension plans.

"The most important difference is due to the fact that a social insurance system can be assumed to be perpetual in nature, with a continuous flow of new entrants (as a result of its compulsory nature). Accordingly, it may be said that the OASDI program is actuarially sound if it is in actuarial balance by reason of the fact that future income from contributions and interest earnings on the accumulated trust fund will, over the long-run, support the disbursements for benefits and administrative expenses. Quite obviously, future experience may be expected to vary from the actuarial cost

(CONTINUED ON PAGE 21)

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## Says Group Cover Must Be Limited in 3 Key States

(CONTINUED FROM PAGE 1)

undue concentration of group insurance attention on the top end of the scale.

There is of course another important phase of the argument pro and contra large group certificates, namely, whether they lead to undue or unfair competition with ordinary insurance. I suspect that my feelings on this point have shone through my previous remarks. Ordinary insurance is strong enough to take care of itself.

I adhere to the philosophy that the volume of life insurance owned by the American public—unprecedented elsewhere in the world—has been made possible only through the simultaneous efforts of ordinary, industrial and group; and that the competition among these separate lines helps rather than harms each individual segment of the whole life insurance business.

I am afraid that I believe that even jumbo group certificates will not, in

the long run, lessen the amount of ordinary insurance carried by executives; because the amounts lost to ordinary insurance in the case of executives who already appreciate how much insurance they need may be offset by additional insurance resulting from a breakdown of sales resistance in other cases; and nothing breaks down sales resistance against life insurance quite as effectively as the ownership of some of it—an effect which I hope has worked its way on each of you.

In summary, I do not believe that any one kind of life insurance is a threat to any other kind.

There is a serious question as to whether a similar statement applies to group hospital-surgical-medical insurance. I think the statement does apply, but many disagree with me.

In the hospital-surgical-medical field the competition between group and ordinary insurance has usually been considered reasonable and healthy, but the competition between group insurance and Blue Cross-Blue Shield and other "service" organizations has created a lot of disturbance in many minds. I think that that is

unfortunate, because I am perfectly sure that the rapid spread of hospital-surgical-medical insurance throughout America has been made possible only through the simultaneous efforts of all types of insurance and this spread has been so rapid and complete only because two almost completely dissimilar kinds of institution have been impressing upon the public mind the desirability and the necessity of this protection.

Even so, there are persons in the "service" organizations who feel that that type of prepayment institution is fighting for its life against the insurance companies; and they criticize most severely, and with a sort of moral fervor the practices of the private insurance companies with respect to benefits offered, classes of persons covered, and premium rate-making philosophy.

Correspondingly, there are many in the insurance business who from time to time think that group hospital-surgical-medical insurance is fighting for its life against the Blue Cross type of organizations. After all, these are competing insurers which, except in a few isolated cases, pay no premium

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★ PENSION TRUSTS ★ MAJOR MEDICAL ★ NON-CAN DISABILITY ★ SPECIAL-  
ISTS IN THE FIELDS OF SUBSTANDARD UNDERWRITING AND REINSURANCE



taxes. Early this year they upset a sale of a benefit plan which would have provided much-needed hospital-surgical-medical protection for the civil service employees of the United States government and their dependents.

They upset that plan by refusing to accept the decisions arrived at by the government officials charged with the duty of preparing the plan after conferences with representatives of government employees. They went over the heads of all these people effectively enough to stop the necessary legislation. As far as I can learn, they did this primarily because they thought that the plans prepared for adoption were of a nature which gave more support to the philosophies that group insurance believes in than to the philosophies that the Blue Cross and similar organizations believe in.

New plans are being developed for all types of insurers to cooperate with the Defense Department to provide hospital-surgical-medical benefits for dependents of persons in the armed forces of the United States and we

again are facing this battle between the insurance companies as an institution and "service" organizations as an institution. This time a good deal of emphasis is being placed upon the alleged fact that Blue Cross will, in most areas, pay the hospitals less than the insurance companies would have to pay those same hospitals for the services to be provided to the covered individuals.

This matter of difference in payments to hospitals is a most baffling one. It sounds like a powerful Blue Cross sales argument and it would be a good sales argument to most prospective purchasers of insurance; but it is nothing that would make very pleasant reading to hospital contributors—and most hospitals from time to time approach the charitable public for contributions—and for the same reason, it would not make happy reading to hospital trustees as a class....

I am not in a position to tell the Blue Cross-Blue Shield side of the story but I remind you of my more fundamental attitude that the real effect of the competition between insurance companies and service organizations has been helpful to both. I do not think that there is the slightest possibility that either will kill the other and both of us are silly when we act as if that were an imminent possibility.

### National, Vt., Wins 4 Awards at LAA Meet

National Life of Vermont won awards in four categories for its exhibits at the recent annual meeting of Life Insurance Advertisers Assn. in New Orleans.

The citations were presented to the company for its prestige and good-will builders, annual report, policyholder material, and company field publication, identified in LAA's list of winners as categories 3, 7, 8 and 10, respectively.

National Life of Vermont's awards were erroneously credited to National Life & Accident in a story on page 3 of the Sept. 28 edition of THE NATIONAL UNDERWRITER.

### Holz Opposes Percentage Increase on One Item

In the liberalization of investment laws proposed by New York domestic companies, Superintendent Leffert Holz of the insurance department has indicated he would go along with the proposal by the companies to increase the dollar limit for investment in single parcels of income producing real estate from \$250 million to \$500 million. However, he opposes the request of the companies to raise the percentage allowance from  $\frac{1}{4}$  to  $\frac{1}{2}$  of 1% of assets for this type of investment.

### Northwestern National Begins Study of New Type Univac

Northwestern National Life and Remington-Rand Univac division of Sperry-Rand Corp. has launched a cooperative case study of a new type electronic "brain" designed especially for larger life companies. Northwestern National plans to take delivery of the new machine by October, 1957. It is being built to specifications of the insurer's electronic research committee which is responsible for adopting as many of the company's statistical operations as possible to electronic processing.

Northwestern National is currently holding classes for an initial group of 14 selected staff members to acquaint them with the operational problems they will face next year when the machine is installed.

### New Insurer Organized by California Educators

Newly-organized Educators Ins. Co. of America has been granted authority by the California department of insurance to transact life and disability insurance in that state. The company

has an authorized capital not in excess of 50,000 shares of \$10 par value. These were sold to California teachers and educators at \$20 per share.

Executive vice-president is Joseph Schwartz, formerly with Beneficial Standard Life and Union Casualty & Life.

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### \$91,954,000 Total Paid Since Start of Federal Group Life Case

Federal employees and their survivors have received benefits totaling \$91,954,000 since the federal employees' group life program was started in August, 1954, according to U. S. Civil

Service Commission.

The total consisted of \$85,104,000 in life payments and \$6,850,000 in accidental death and dismemberment payments. Payments averaged \$3.8 million a month. Insurance in force totals about \$10 billion.

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In St. Louis (the ninth ranking metropolitan market of the nation)—we have available, an unusual and outstanding opportunity for the right type of man, eager and ready for General Agent advancement. Our one hundred ninety-five million dollar company is marching forward throughout its entire operating area, from the Territory of Hawaii . . . from California to Florida—in a vigorous expansion program. As a career man with National Reserve Life, you are assured the utmost in complete home office cooperation plus tested, effective sales aids.

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H. O. CHAPMAN, Pres.,  
S. H. WITMER, Chm. of the Board



### NATIONAL RESERVE LIFE INSURANCE COMPANY

TOPEKA • SIOUX FALLS

Strong as the Strongest  
ENDURING AS RUSHMORE



IT'S GOOD BUSINESS  
TO SELL  
**MIDLAND**

- T. D. rider with life insurance
  - Guaranteed Renewable to age 65
  - Pays income from day of disability to age 65
  - Level Term to age 70
  - All modern term policies and riders
  - Substandard life and A & S
  - Low cost, high cash value, whole life policy
- Write H. S. Hagan, President

### MIDLAND NATIONAL

Life Insurance Company

Licensed in Illinois, 14 states west of Mississippi River, Alaska, Germany and France.  
WATERTOWN, SOUTH DAKOTA

### IBM Appoints Two to Life Department Posts

International Business Machines Corp. has appointed James L. Thomas and Thomas V. Cahill special representatives in the life insurance departments with headquarters at Dallas and Boston, respectively.

They will assist I. S. Homans Jr., manager of the department, and conduct classes for customer personnel and IBM representatives to keep abreast of machine accounting and data processing developments of interest to the life insurance business. Mr. Thomas has been with IBM at Dallas since 1949. Mr. Cahill joined the company at New York in 1939 and has been at Boston since 1942.

### Cal. Ends Yearly Renewal of License Requirement

In accord with amendments adopted by the 1955 California legislature, insurers authorized to do business in California will this year receive the new continuous form certificates recently prepared by the California department. Hereafter it will not be necessary for companies to renew their certificates annually, since the new certificate is issued for an indefinite period subject to the insurance laws. The new law calls for \$10 annual license fee commencing in 1957, which will be due June 1 of each year and delinquent after June 15. Commissioner McConnell said the new procedure will assist both the department and the insurers in greater efficiency and savings in time.

### New Denver Insurer Sued in Stock Deal

Two stockholders of the newly formed American Founders Life of Denver have filed a \$157,500 civil suit in Denver district court against the organizers of the company charging that they wrongfully withheld stock from them to permit the officers and promoters of the company to make huge profits on their own stock.

The stockholders and complainants, Raymond W. Near and his wife, Agnes, claimed that they entered a contract last February with the new company to purchase 15,000 shares at \$2 a share, and the insurer has refused to issue any stock to them. The suit alleges that the market value of the stock now is \$12.50 a share and that the company officials are refusing to deliver the stock in an attempt to enable them to dispose of their personally owned stock, or stock which they had options to purchase, at the increased market value for their sole benefit.

### Buchanan Heads D.C. Assn. Life Insurance Week Project

Howard J. Riorteaj, Continental Assurance, president of District of Columbia Assn. of Life Underwriters, has named Thomas R. Buchanan, New York Life, chairman of the "life insurance week" project.

Frank J. Carbo, Mutual Benefit H. & A. has been appointed chairman of the A&S committee. He will attend a November seminar introducing a comprehensive A&S course to begin in February under the sponsorship of Life Underwriter Training council.

### Hooker Opens Consulting Offices

Russell O. Hooker, who resigned as actuary of the Connecticut department after 28 years in the organization, has opened insurance actuarial and consulting offices at 750 Main street, Hartford.

He recently was elected presidential actuary of Insurance City Life of Hartford, a new company writing credit life. He has served on important committees of National Assn. of Insurance Commissioners.

## Your Mutual Benefit Life Man says:



"A  
good life  
insurance  
job works  
both ways!"

When you give your client life insurance that meets his exact needs down to the last tiny detail, you've done a good job. And because you've done a good job for him—you've got a good job for yourself. It's a simple philosophy, but it's a prime reason why Mutual Benefit Life men like George E. Wheeler of Dallas, have so many pleased clients and enjoy so much success right from the start. The Mutual Benefit Life Insurance Company, Newark, New Jersey.



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## COMPANY & AGENCY CHANGES

### Equitable Society

**Julie E. Stocker** has been named associate counsel, law department-investments. He has been practicing law in New York City since 1929. He has lectured and written on legal subjects and is active in professional organizations.

**George E. Stoddard**, assistant manager of industrial securities in the securities investment department since 1950, has been promoted to manager. **Raymond A. Charles** and **Harold N. Friesen** have been named assistant manager and analyst, respectively, of industrial securities. Mr. Stoddard joined the company as an investment analyst in 1945. Mr. Charles and Mr. Friesen have been with Ford Motor Co.

### Mutual of New York

**Arthur D. Graham** and **William L. Byars Jr.** have been named to newly-created posts of assistant regional mortgage loan supervisors at Palo Alto and Cincinnati, respectively. Mr. Graham has been in the business for 12 years, most recently with State Mutual. Mr. Byars has been in the business since 1930 and with Mutual of New York since 1948.

### General American Life

Two additions to the group division have been announced. They are:

**Philip J. Anzalone**, who has been selling group insurance for another company, has been appointed assistant district group manager for the Los Angeles area. **Edward H. Jackson**, of Los Angeles is moving to St. Louis to take a position in the home office sales organization. He will be active in sales promotion and sales training.

### New England Life

**Richard M. Rohn**, who joined the company as manager of the Chicago district group office in 1953, has been named assistant director of group sales. He entered the business in 1937 and was manager of the group A&S department of James S. Kemper Co. from 1947 to 1953. He is a lawyer.

**Howard A. Williams** and **William B. Ferguson** have been promoted to administrative assistant and director of agency operations and finance, respectively. Mr. Williams joined the company in 1952 and has been a security analyst in the securities department. Mr. Ferguson has been assistant director of operations and finance in the agency department for two years.

### Occidental of Cal.

The following appointments in Occidental's actuarial division have been made: **Paul Barnhart**, **Robert Bassin**, **Edward Foster**, **Howard Frieden**, **Robert McCarty**, and **William Quirk**, actuarial assistants; **Edward L. Chapin**, **Duane Kitchen**, and **John Montgomery**, assistant mathematicians, and **Alan Richards**, assistant statistician.

At the same time, **F. N. Dastur** was promoted to assistant group actuary.

### American United

**Charles E. Macey** has joined the home office staff of American United Life as group secretary. Mr. Macey has been in group sales and service work for the past 9 years.

### Life of Virginia

**Douglas H. Fraser** has been named assistant manager of the field training division. He joined the company at Norfolk in 1948, advanced to associate manager and has been supervisor of the field training division since 1955.

**AMERICAN INTERNATIONAL OF HONGKONG**—**Robert C. Ayers**, vice-president of American Life of Wilmington since 1953, has been appointed vice-president for southeast Asia, with offices in Singapore.

### Home Life of New York

**N. Baxter Jackson**, executive committee chairman of the Chemical Corn Exchange bank of New York, has been elected a director. He is on the government borrowing committee of American Bankers Assn. and is a commissioner of Port of New York authority.

### Variable Annuity Life

**W. Laird Dunlop III**, executive vice-president of Walker & Dunlop, mortgage bankers of Washington, D.C., has been elected a director. He also is on the board of American Standard Life of Washington, D.C.

### New York Life

**Harry L. Corbett** has been named home office representative in charge of a new office in Albuquerque, at 726 First National Bank building, to handle the sales and service of group life and A&S. He joined the district group office at Denver in 1954.

### Prudential

**Henry J. Brock**, associate general solicitor, has been appointed associate general counsel. He was in private practice in New York City before joining the legal staff in 1946.

### John Hancock

**Edwin A. Collett** has been named general agent at Providence to succeed **John L. Allen**, who has been appointed general agent in Atlanta. Mr. Collett entered the business in 1928 and has been with Penn Mutual.

**Timothy P. Blaney** and **Stephen J. Bur** have joined the Heald agency of Milwaukee. Mr. Bur has been named special representative and Mr. Blaney, assistant general agent. Their office will be in Green Bay.

### National Life & Accident

**E. G. Ross**, district manager at Temple City, Cal., has been named manager of the Pacific coast territory to succeed the late **J. F. Walker**. **Ben Shields**, manager of the manpower development division, becomes associate manager of the Pacific coast territory. Both men will be in Los Angeles. **H. H. Wallen**, district manager at Kingsport, Tenn., succeeds Mr. Shields as manpower development manager. **C. A. Craig II**, manager of the sales development division, becomes a district manager in Nashville. **Ellis Goodloe**, district manager at Chattanooga, becomes sales development manager. **R. D. Outten**, district manager in Nashville, becomes manager of the service development division to succeed **Del Dumont**, who resigned.

### Great Southern Life

**William H. Miller** has been appointed manager of the new Gulf Free-way agency at Houston, making Houston a multiple-office city for Great Southern. The new agency is at 7436 Park Place boulevard. Mr. Miller was formerly acting manager at the company's Beaumont agency. **S. E. Holloway**, with Great Southern since 1952, has been named to head the Beaumont agency.

### United States Life

**William Wenzel** has been appointed agency manager in Brooklyn. He has had extensive experience with Prudential for 26 years and during the past two years as accounts executive in the Continental Assurance agency system.

### Bankers Life of Iowa

Three new group representatives have been appointed. They are **Robert W. Beck** and **Orville R. Miller**, who have been assigned to the Des Moines office, and **Peter G. Frederickson**, a new member of the San Francisco group office. Mr. Beck has been with Blue Cross at Des Moines for eight years. Mr. Miller formerly was in the home office group underwriting department. Mr. Frederickson has been in insurance for six years.

### Prudential

**Norman C. Downer** has been named Prudential manager at Oakland, Cal., succeeding **Alvin E. Thomas**, who is retiring after 28 years with the company. Mr. Downer joined Prudential in 1936 at Denver and later served in supervisory posts at Pueblo, Col., Denver, and as associate director of the Detroit regional office.

### Franklin Life

**Robert M. Morris** has been appointed general agent in the west Los Angeles area for Franklin Life. A member of the Million Dollar Round Table, Mr. Morris was formerly director of field training for ordinary agencies at Prudential's Los Angeles regional home office.

### Occidental of Cal.

**George Patterson**, with Occidental since 1954 and head of the group office at Atlanta for the past year, has been promoted to regional group manager.

Occidental's group office at Detroit has been closed and moved to Cleveland. **John F. Tapson** heads the office.

### Equitable Society

**George W. Holt** has been named manager of a new agency at Covina, Cal., with offices at 157 east Rowland avenue. He joined the company in 1947 and has been manager at Newark since 1953.

### Cal-Western Life

**Harold J. Foshaugh** has been named manager for Cal-Western at Tacoma. He has been assistant manager there for the last year and a half.

### Aetna Life

**Philip J. Adams**, who entered the business with Aetna in 1947, has been named supervisor of the Sechtman agency at New York.

### Fidelity Mutual Life

**Louis Morell Jr.** has been named general agent in Cleveland to succeed **Harold A. Gordon**, who is retiring from the post due to ill health. **Henry**

No. 5 OF A SERIES



*THE COMPANY shall do all in its power to encourage and enlist the interest and support of the new agent's family in his life insurance career.*

\* In selecting and training the new agent, we believe that the Company's responsibility must go much further than the printed terms of its contract. In fairness to the agent . . . the Company . . . the insurance business itself . . . we must assure the new agent every possible chance of success. In this series of messages, we present a few of what we consider to be our inescapable obligations under this "invisible contract".

A long-time maxim of this Company has been "You actually hire a family . . . not just an agent". It is a fact that many a promising life insurance career has been wrecked on the shoals of family indifference or misunderstanding. Recognizing this, we spend a great deal of time during the recruiting process "indoctrinating" the wife in the responsibilities her husband is about to assume. Thereafter, through attendance at company conventions and other means, we do all we can to keep her interest high in a "partnership" which can provide a better, fuller life for the whole family.

**California-Western States Life Insurance Company**

HOME OFFICE: SACRAMENTO

**A. Schoknecht III** has been named general agent in San Francisco. Mr. Morell entered the business with Fidelity Mutual at Cleveland in 1951 and became supervisor in 1952. He was named general agent at San Francisco in 1954. Mr. Gordon, with the company for 12 years and general agent at Cleveland for nine, will devote his time to personal production. Mr. Schoknecht, in the business since 1948, has been with the company in Oakland, Cal., since 1955.

#### Manhattan Life

**Morris L. Harmelin** has been appointed general agent in San Jose, Cal., with offices at 1515 The Alameda. Since 1936, he had been with his father, **Max Harmelin**, who retired recently as general agent in Newark.

**Herbert T. Nickel** has been named assistant brokerage manager of the Fixa agency in San Francisco. He entered the business with California-Western States Life in 1946 and joined New England Life in 1951.



M. L. Harmelin

#### Travelers

**Albert E. Colaw** has been appointed manager of a new branch at Wichita, in the Union National building. He was with Equitable Society in Kansas City before joining Travelers as a field supervisor at Kansas City in 1949. He was named assistant manager in 1953.



Albert E. Colaw

#### Prudential

**Vincent Gallo**, district manager in New Haven since 1954, has been named district manager at Waterbury, Conn., succeeding **John A. Schweitzer**, recently named district manager at Poughkeepsie, N. Y. **Joseph Tashman**, district manager at New York, succeeds Mr. Gallo at New Haven. Mr. Gallo and Mr. Tashman have been with the company since 1932.

**KENTUCKY HOME MUTUAL**—**H. Kenneth Charlton** has been appointed regional manager at Cincinnati with offices at 1423 East McMillan street. Mr. Charlton formerly was with Prudential.

#### North American L.&C.

**Freeland W. Harlow** has been appointed branch manager and will open a second sales office in Minneapolis. He was formerly with Penn Mutual Life and Northwestern Mutual Life.

## RECORDS

**BANKERS LIFE OF IOWA**—New business paid for in the first nine months of 1956 totaled \$202,063,361, an increase of nearly \$22 million over the same period last year. Of this total \$120,685,574 was ordinary and \$81,377,787 was group business. September production totaled \$15,715,027, of which \$9,220,527 was ordinary and \$6,494,500 group. Total in force reached a new high of \$2,588,136,220 at the end of September, of which \$1,610,700,692 was ordinary and \$977,435,528 group.

**GREAT-WEST LIFE**—Sales for the first nine months in 1956 amounted to a record-breaking \$379 million. Another record was set in September when sales amounted to \$50 million. Chicago is the leading branch in year-to-date business with over \$18,400,000 in new sales. The California agency ranks second with \$16,900,000, and Winnipeg is the top Canadian branch with \$14,500,000.

**Max Seigler** of Montreal is the leading agent at the end of September, with more than \$1,600,000 to his credit.

in face-to-face exchange of ideas in shoulder-to-shoulder association, GAMC provides the 'climate' for healthy competition—the kind of competition that benefits the competitor, the business and the public."

Another important conclusion to be drawn from GAMC activities is that GAMC has proved to be good for NALU.

"At the outset there was concern that GAMC would develop into a rival or a competitor of NALU and that it might even decide to separate from the parent organization and go on its own way," Mr. Jackson recalled. "It was feared further that GAMC might engage in areas of activity in which NALU as a whole had long been interested and for which it had assumed major responsibility."

"Recognizing this, Charles Campbell (now vice-president in charge of the Jacksonville regional home office of Prudential) and other early leaders of GAMC laid down the policy that the organization should confine its endeavors entirely to the problems of field management. Time has proven the wisdom of that policy and I believe that it can be fairly stated that GAMC has followed it to the letter. As a result, not only have conflicts been avoided but GAMC has proven itself an asset for NALU. I believe it can be an even greater asset in the future."

"While there may be some notable exceptions, I think no one will seriously disagree with the statement that agent membership in the life underwriters association stems principally from the leadership and the encouragement of the general agent or manager. It follows then that as GAMC extends its service to more agency heads, additional numbers of agents will learn of the advantages of NALU membership."

"Especially can this be true through the expansion of the study course program for combination managers. Already we know that a number of the managers enrolled in the five pilot courses had not previously been members of NALU. Is there not every reason to feel that as a result of their favorable exposure to this program additional numbers of agents will come into the membership of NALU?"

#### Make GAMC Federation of Local Units: Jackson

(CONTINUED FROM PAGE 5)  
could be worked out. Dues for such members would be nominal and presumably they would be affiliated with their nearest managers' association. My view, then, is that this would not pose a serious problem to the change in organizational structure."

Mr. Jackson said there is a problem however that would present a serious challenge and that is the fact that some local associations are at present operated as "clubs." The unit structure would not operate successfully, Mr. Jackson believes, unless all general agents and managers who by current definition are eligible for GAMC membership were welcome at all local groups.

"We are, of course, talking here about professional and educational associations of general agents and managers rather than 'social clubs,'" said Mr. Jackson. "This is not to be construed as meaning that I do not think there is value in social clubs of agency heads, for on the contrary I'm sure there is. My point is that primary emphasis should be on the improvement of field management and that other considerations are of secondary importance."

"Opening the doors, then, of all managers' associations would, as I stated, be a problem, but I believe it would be a challenging one."

One of the lessons that is being learned through GAMC activities is that GAMC promotes healthy competition, said Mr. Jackson.

"We're going to see a lot more competition in this business as in others, all of which is good for as we have learned, that's what makes progress, provided the competition is healthy," he said. "And I believe that healthy competition can only result from a mutual understanding and respect for your competitor. I submit that through local study groups, conventions, management conferences

#### Pru Has 81st Birthday

Prudential observed its 81st anniversary with a buffet luncheon at the Newark home office for 800 business and civic leaders. Prior to the luncheon, guests were greeted by President **Carroll M. Shanks**, **Harold M. Stewart**, executive vice-president, **Frederick H. Groel**, vice-president, and other officials. The company has grown to 48,000 employees, with \$13 billion in assets and \$51.5 billion of insurance in force.

#### Convention Dates

Oct. 23-25, Assn. of Life Insurance Medical Directors of America, annual, Roosevelt hotel, New Orleans.  
Oct. 25-28, Actuarial Club of the Pacific States, fall meeting, Del Monte Lodge, Pebble Beach, Cal.  
Oct. 25-26, LIAMA Atlantic Alumni Assn., annual, Berkley-Carteret hotel, Asbury Park, N. J.  
Oct. 25-27, Midwest Management conference, French Lick, Ind.  
Nov. 11-16, LIAMA, annual, Edgewater Beach hotel, Chicago.  
Nov. 12-14, Society of Actuaries, annual, The Greenbrier, White Sulphur Springs, W. Va.  
Nov. 14-16, Institute of Home Office Underwriters, annual, Statler hotel, Dallas.  
Dec. 12-13, Life Insurance Assn. of America, annual, Waldorf-Astoria hotel, New York.  
Dec. 3-7, National Assn. of Insurance Commissioners, semi-annual, di Lido hotel, Miami Beach.

From the Desk of  
**A. LUCKY AGENT**

**PBP** → **PROGRESSIVE BENEFIT PLAN**  
(new juvenile plan!)

\$1,000 increasing to \$5,000 @ Age 21

Options @ Age 65:  
● Monthly life income \*  
● Installment Refund Annuity \*  
● Paid-up policy plus cash (\$768)

\* participating

- Full coverage at 15 days
- Return of prem. if death before Ann. date nearest insured's 21st B'day!
- Automatic W.P. dis. @ insured's 21st B'day
- Can be issued with wav. of premium

**HIGH CASH VALUES**

Call Joe today - this for his boy!

**BANKERS LIFE INSURANCE CO. OF NEBRASKA**



## Actuaries in Public Practice Elect Campbell

(CONTINUED FROM PAGE 15)

estimates made now, but the intent that the system be self-supporting (or actuarially sound) can be expressed in law by utilizing a contribution schedule that, according to an intermediate cost estimate, results in the system being in balance, or quite close thereto."

E. J. Faulkner, president of Woodman Accident & Life, in his banquet address called for repeal of the 1956 amendments to the social security act and a careful analysis of the entire social security system by a group that has nothing to do with the program's administration.

Robert R. Neal, general manager of Health Insurance Assn. of America, outlined the functions of the association and expressed confidence that its major objectives in promoting health and welfare would be attained.

Drs. Frank G. Dickinson and Leonard W. Martin of the American Medical Assn. presented a paper on their recent study of physician mortality.

Samuel A. Block, chief statistician of Railroad Retirement Board, presented a paper on the growth and actuarial aspects of the system showing how it has evolved from many privately operated funds into one federal governmental plan.

Richard A. Bosshart, actuary with Edwin Shields Hewitt & Associates of Libertyville, Ill., outlined a supplemental unemployment benefit plan through the use of a cost analysis. He emphasized that only through the approach of a cost analysis could such a plan be successfully executed. The subject was also discussed by Murray W. Latimer, industrial relations consultant of Washington, D.C., and technical adviser to the United States Steel Worker's Union of America, who presented a mathematical analysis of his six year study of the unemployment experience of 800,000 steel workers.

William T. Fee of Chicago, vice-

president of Employers Reinsurance, discussed the technical aspects and procedures of casualty and fire reinsurance.

Harry Sarason, consulting actuary of Los Angeles, presented a detailed outline of life insurance auditing procedures. In the discussion following, the respective spheres of responsibility shared by actuaries and accountants were explored.

Joseph Musher and Murray W. Latimer, industrial relations consultants, presented a paper of the actuarial impact of long-term wage trends on salary scales for industrial type plans which analyzes the effect of the changing wage levels resulting from collective bargaining on long-term pension costs.

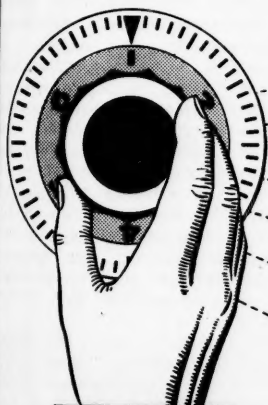
A forum on the problems of smaller companies was moderated by H. A. Winters, vice-president of National Old Line Life of Little Rock. It included the discussion of agency problems, maintenance of surplus investments and A&S insurance. Panelists were Oscar H. Jekel, vice-president of Reliable Life of Missouri; Raymond Strong, consulting actuary of Dallas; Earle E. Bailey, Great American Reserve of Dallas, and Malcolm Holzer of Business Men's Assurance.

Mortality of lives totally disabled as the result of silicosis was discussed by E. I. Evans of Columbus, O., and by Clyde L. Ferguson of Charleston, W. Va.

Papers on pensions were presented by Gabriel M. Hellman of Pension Planning Co. of New York and by Myrna Knopf of Morss, Seal & Bret of New York.

### Author to Address San Mateo Life Agents

Peninsula (Cal.) Life Underwriters Assn. is holding a special evening meeting Oct. 22 in San Mateo, Cal. Frank Bettger, author of *How I Raised Myself from Failure to Success*, will speak on "How to Put Success into Action."



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Life, Accident, Sickness and  
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Mutual—Established 1905

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# FIDELITY

A WELL-BALANCED COMPANY



balance...  
the basis of good government

In government, it is  
a balance of the executive,  
legislative and judicial branches.

In life insurance, it is a balance  
of fundamentals, progress and  
alertness to policyholders' needs.



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If you are interested in  
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## Custom Coverage

**FITS ALL A & S REQUIREMENTS**  
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At long last... a new... all inclusive policy in the accident and sickness field... to provide a wide selection of quality coverages in ONE POLICY! No encumbering multiple billings. No annoying duplicate policies... JUST ONE COMPLETE ACCIDENT AND SICKNESS POLICY that includes everything from Total Disability through Hospitalization and Major Medical. Best of all... Sickness and Hospitalization benefits have been "liberalized". Room and board have been "boosted". Miscellaneous expenses have been "added". Nurses fees and medical attention while in the hospital have been "included".

It's a type of policy that you have dreamed about. Field acceptance has been phenomenal and it's available from Wisconsin National Life Insurance Company complete with explanatory brochures and selling aids.

## WISCONSIN NATIONAL LIFE INSURANCE COMPANY

HOME OFFICE, OSHKOSH, WISCONSIN

First Legal Reserve Stock Life Insurance Company incorporated in the State of Wisconsin  
General Agency Openings in Wisconsin, Michigan, Illinois, Indiana, Minnesota

## Financial Section Ends Meeting in Hopeful Mood

(CONTINUED FROM PAGE 3)

Henry H. Edmiston, outgoing chairman of the section and vice-president of Kansas City Life; G. D. Brooks, vice-president and treasurer of National Life & Accident; A. E. Grauer, president of British Columbia Electric Co., Vancouver; Charles N. Kimball, president of Midwest Research Institute, Kansas City, and David Rockefeller, executive vice-president of Chase Manhattan bank, New York.

Mr. Josephs said there has been introduced at governmental levels considerable advance in the techniques of stabilization. "We have every right to expect that we will learn more as we do more in this direction," he said, pointing out that growing economic literacy and analysis of experience have enabled all segments of the society to plan their own affairs better.

Mr. Josephs said the growth in the U. S. labor market will come from children already in school. The increased birth rate began in 1940, and the first of the crop is only now at the point of entering the labor market, he said.

These youngsters all will want a higher standard of living than that of their parents, he explained, and in characteristic American fashion, they will be willing to work for it. Because of continued technological progress they will be able to get it.

"The record of the past shows a steady increase in output per worker. The development of more efficient methods and more powerful machinery is continuing," Mr. Josephs said. "By extending past trends of productivity in the upward direction indicated by current programs of research and development, it is estimated that by 1966 the average wages paid in America will purchase at least 30% more real goods and services than can be bought with an hour's labor today. If we assume that the work week will be shorter by 1966 and vacations will grow, then it is a fair guess that the average worker or average family unit can expect a 25% improvement in real annual income during the coming decade. The gross national product is now close to \$410 billion. This would mean, because of the increased labor force a gross national product of \$60 million by 1966, give or take a year or two."

Mr. Josephs also carried his hopeful prediction over into the insurance business. He said: "We can be confident of a decade of substantial growth in our industry because three factors are all working in the same direction—increasing population, increasing per capita income and increasing acceptance and appreciation of life insurance. "The premium income of life companies, including our A&S business, will exceed \$13 billion this year, representing about 4.7% of the nation's current disposable income. This ratio should grow to 6% in another 10 years . . . This higher ratio of the expanding national income means that our premiums will double to about \$26 million in 1966."

Mr. Brooks struck a warning note in his appraisal of the "Mortgage Picture," claiming the present "congested" mortgage market was attributable to such factors as building "too many housing units too fast," and financing this construction "with loans that are completely unrealistic with respect particularly to down payments and length of maturities."

"I have repeatedly made the statement that we could not expect to build, finance and sell 1 million or more new housing units each and every year without bringing about a financial crisis," Mr. Brooks said. "The continued attempt to do so has now

caused a financial crisis to exist insofar as the real estate mortgage market is concerned."

However, Mr. Brooks pointed out that there are a number of ways to correct the situation and concluded that insurers can, by continuing to purchase mortgages within the limits of sound investment judgment, make a contribution to the general economy of the country and make excellent investments at the same time.

He said the blame for the congested mortgage condition must be shouldered by those who have been involved—"members of the Congress who passed the legislation that helped create a housing boom; the various organizations who sponsored the legislations; homebuilders who created millions of housing units without real regard to the sound demands of the market; mortgage companies who attempted to convert to mortgage 'factories' turning out loans on an assembly line basis, and last but not least, institutional investors who supplied, or agreed to supply the necessary money even to the extent of committing funds expected to be received many months in the future."

In suggesting how this situation could be corrected, Mr. Brooks said Congress should consider legislation dealing with a housing program rather than a welfare program; organizations which sponsor housing legislation should consider their stand from the point of view of the public welfare, and home builders should adjust production of houses to the real demand of the buying public.

Mr. Edmiston saluted the fact that the current higher level of interest rates and tighter money have not become a significant political issue. He said this pretty well disproves and disputes the old political theory of interest rates, which claims that a tendency toward easy money can be expected in a major election year. He said that the removal of serious controversy over interest rates from the political arena, as well as the new freedom enjoyed by the Federal Reserve system, were "most heartening developments, particularly to those of us in the insurance industry who have a vital stake in the avoidance of future inflation."

He noted that "if we are moving into an economy whose appetite for new capital will devour current savings and seek to feed upon bank credit to satisfy its hunger, we must seek ways to increase the volume of current savings." He suggested that a higher rate of savings might be stimulated by revision of the federal income tax laws. He also pointed out that life companies might consider several changes in both the insurance and investment aspects of the business.

"Perhaps more emphasis should be given to types of insurance policies which contain greater savings features; less emphasis to the low premium type of life insurance; discontinuance of the implied suggestion that low premium outlay is more valuable to the policyholder than the investment values of life insurance," Mr. Edmiston said.

As for investments, he suggested introduction of a more rapid amortization on new loans and investments being made today.

Mr. Grauer, who is president of one of Canada's largest utility companies, forecast a continuation of prosperous times in Canada if there is a continuance of informed and statesmanlike

handling of investment activities during this period of threatened inflation. He said Canada's rich resources and rising population, together with government policies of encouraging private enterprise, are helping to assure the growth of prosperity in that country.

Mr. Grauer told the Financial Section that large and expanding capital programs in Canada have had the result of bringing large inflows of capital into the country. The demand, for equity capital particularly, has outrun the supply from Canadian sources, so that a considerable amount of equity ownership has gone abroad.

"These developments have given rise to a good deal of discussion and have emphasized the important role which investors, both at home and abroad, are playing in the process of Canadian growth," he explained.

The size of the investment program has placed an increasing drain on Canada's physical resources during the present year, Mr. Grauer said. However, a determined attempt is being made to prevent this drain from creating inflationary conditions.

"The containment of these pressures will enable capital expansion to go forward in a sound and orderly manner. Both the need and the opportunities for investment will continue to be great," he said.

While government policies are important, the judgment and wisdom of the long term investor is also involved, Mr. Grauer said. Institutional investors are now such a large factor in the investment of savings that they cannot help but play a significant role in the containment of inflation.

"This is a period when first things come first," he declared. When the demand outstrips the supply of capital, those types of investments which are essential for the function of the whole community should have priority. This is to the benefit of the long-term investor as well as everyone else.

Mr. Kimball discussed "The Influence of Research in Industrial Progress," pointing out that research in this country is developing at an extremely rapid rate, having grown by a factor of 50 times the last 20 years. It is predicted that this growth will continue at a geometric rate over the next 20 years, he said.

"We are not entering the age of technology," he said. "We are in the middle of it. And as the years go by, corporate, government, and private research groups will play an increasing role in expanding the U. S. economy."

The financial community, Mr. Rockefeller told the meeting, "must try to determine whether our economy is, in fact, growing too fast. Our goal is a maximum rate of growth that the nation can sustain without generating an unhealthy, and therefore unstable, expansion."

From mid-1954 to 1955, Mr. Rockefeller said certain sectors of our economy, notably the automobile business and housing, aided by easy credit, were expanding at a rate that could not be maintained. He said the decline in these fields in 1956 has been counterbalanced by "a remarkable expansion in business investment and by an increase in consumer purchase of other items."

Banks, insurance companies and other lenders, Mr. Rockefeller said, "must make sure that their funds are reserved for the more productive and least inflationary uses."

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## Ask NALC to Support Extension of Formula for Taxing Companies

The taxation committee of National Assn. of Life Companies recommended at a 2-day board meeting in Denver that the association ask Congress for an early extension of the present formula for taxing life companies.

The committee said this should be done with a view to asking for technical revisions when the Treasury Department has had three years' experience with the measure, after which the formula should become permanent legislation. The present formula is the simplest and most effective devised so far, and no glaring technical bugs have been found in the bill, the committee said.

The committee called upon the association to support proposals giving policyholders some form of tax abatement for taxes paid by companies on annuities and similar contracts, provided the eventual bill does not impair the basic principles of company taxation.

The legislation committee urged close examination of Senate bill 2054, now pending in the Senate committee on banking and currency, on grounds that it might prove dangerous to the principle of state regulation of insurance. The legislation committee said that possible Securities & Exchange Commission interest in life companies may be potentially threatening to continued state regulation. The board was asked to consider the desirability of a uniform law fixing the minimum amount of insurance in force that must be maintained for qualification as a life company.

The reports of the taxation, legislation and other committees were referred to the executive committee for consideration. The executive committee is expected to follow the taxation committee's recommendations because it already has approved the latter's request for support of the extension of the federal income tax law. The legislation committee may be asked to study further the recommendation for a minimum amount of life insurance in force.

Pierce P. Brooks, chairman of National Bankers Life of Dallas and president of NALC, said 45 new members had been accepted since the 1955 convention.

"We intend to continue to fight for competitive free enterprise, for fair treatment of every legitimate company field, and we intend to continue to provide a forum through which the voices of the younger growing progres-

sive companies can be heard," Mr. Brooks said.

Other speakers included Commissioners Beery of Colorado and Taft of Wyoming, Superintendent Apodaca of New Mexico and Ellis Arnall, president of Columbus National of Newnan, Ga., chairman of the NALC board and former governor of Georgia.

## Life Companies and Agents Fight SBLI in Pennsylvania

HARRISBURG—Life insurance is "something that has to be sold, not something that normally is bought," Elbridge P. Bragdon, of Harrisburg, president of the Pennsylvania Assn. of Life Underwriters, today told a subcommittee of state legislators studying a proposal to permit sale of up to \$5,000 of life insurance "over-the-counter" at mutual savings banks in Pennsylvania.

Other agency representatives and company spokesmen also opposed the savings bank idea as an attach on the agency system.

But proponents of the plan, the mutual savings banks, told the legislators that life insurance is one field in which merchandising "has not been modernized as it has in other enterprises." Over-the-counter sales would be one improvement in the methods used to sell insurance, they contended.

The legislative group studying the problem is a subcommittee of the joint state government commission—research arm of the Pennsylvania general assembly. Co-chairman of the subcommittee are Reps. Mary A. Varallo (D-Phila.) and Robert D. Fleming (R-Allegheny). The six-man subcommittee will make recommendations to the 1957 legislature. For years the mutual savings banks have sought to legalize over-the-counter sale of life insurance, without success.

While there are only seven mutual savings banks in Pennsylvania, the proposal includes a proviso for the establishment of branch agencies to handle insurance sales. Four of the banks are in Philadelphia, and one each in West Chester, Johnstown, and Pittsburgh.

## Families Feel They Can't Afford Adequate Coverage

A survey conducted by the Survey Research Center of University of Michigan revealed that 40% of families interviewed carried too little life insurance. Many of these families, it was noted, were those with young children. A general awareness of the value of insurance protection was shown, according to the interviewers, but many families felt they "couldn't afford" adequate coverage.



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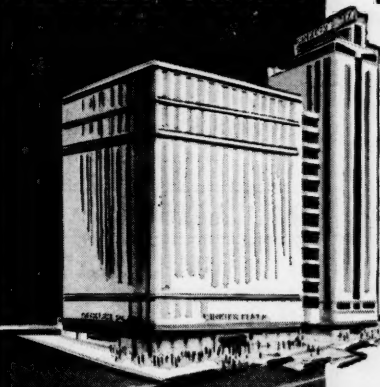
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## Proposed Mortality Seen as Boon to New Insurers

(CONTINUED FROM PAGE 3)

rates sufficiently realistic so that there would be no reason to sell at gross premium rates below the net rates.

The problem might have been handled, Mr. Guertin said in his report, by seeking repeal of the deficiency reserve requirement or else basing it on the legal minimum valuation basis instead of, as now, on the valuation basis actually used for the policy. Neither of these seemed as likely of acceptance, particularly by insurance department people, as the enactment of new mortality tables on a permissive basis.

The proposal to change the laws so as to permit the companies to give the insurance-buying public the benefit of the great improvement that there has been in longevity in the last 20 years seems to be one that would have general support inside the industry and elsewhere, Mr. Guertin indicated.

### EDPM Speeds Work

NEW YORK—Thanks to the use of electronic data processing machinery,

the construction of the proposed mortality table is taking only an estimated 10% to 20% as much time and work as was needed for the CSO table currently in use. The equipment is useful not only in making up the table but in augmenting the rates by the loadings that are added for conservatism. These "conservatism loadings" were first added in the 1941 CSO table. They are used because in using such very recent mortality data it could be possible that an "unloaded" mortality table would not be sufficiently conservative for all the companies using it.

With electronic data processing, it is a simple matter to experiment with different loadings to see what reserves they produce. A mortality table that in its "pure" state showed non-uniform rates of improvement over the present CSO table for different age categories could cause undesirable differences in the level of reserves. It is generally considered unwise to use a mortality table that would produce reserves significantly lower than those now in use. This is one of the things that the "conservatism loading" can take care of.

## FTC Reserves Decision on Motion by Combined To Dismiss A&S Charges

Examiner Laughlin for Federal Trade Commission has heard final arguments on the motion by Combined of America for dismissal of false A&S advertising charges and has taken the matter under advisement.

Mr. Laughlin took testimony in Washington on the Liberty Mutual case. The hearing was slated to continue Oct. 19 in New York City.

A hearing was scheduled for Oct. 17 in New York on the complaint against Federal Life & Casualty.

### Northwestern Mutual Loans \$11 Million for Shopping Center

Northwestern Mutual Life has granted an \$11,300,000 mortgage to Capital Court Corp. to finance land purchase and construction of buildings for the new Capital Court shopping center on the northwest side of Milwaukee. It is believed to be the largest private mortgage loan ever granted in Wisconsin. The interest rate on the 25-year sinking fund mortgage note is 5%. The first check for \$7,992,000 as a partial payment was presented to Ralph T. Friedmann, president of Capital Court, by Howard J. Tobin, vice-president of Northwestern Mutual. The total cost of Capital Court is estimated at \$26 million.

### Space Still Available for LIAMA Atlantic Alumni Meet

Advance registrations for the meeting of the Atlantic Alumni Assn. of

LIAMA agency management schools Oct. 25-26 at Asbury Park, N. J., now exceed 100 but space at the Berkeley-Carteret hotel is still available, according to the association's secretary, Paul L. Guibord, general agent of Mutual Benefit Life at Newark. Requests for rooms should be sent to him at 54 Park Place, Newark 2, N. J.

## Minn. Commercial Men's to Contest FTC Order

MINNEAPOLIS—Paul Clement, president of Minnesota Commercial Men's Assn., said his company expects to take to court any order from the Federal Trade Commission banning his company's advertising of A&S insurance. An examiner of the FTC has recommended such an order on the ground that the advertising is false.

Mr. Clement said Minnesota Commercial Men's will contend the FTC does not have jurisdiction over insurance companies and will also contest each of the examiner's several points concerning its advertising. Mr. Clement said the examiners cited the "possibility of deception" in several parts of the advertising without pointing out where deception had taken place.

DR. E. A. ANDERSON, 79, medical director of Modern Woodmen for 41 years, died after a short illness. Dr. Anderson, who practiced medicine in Holdingford, Minn., before accepting his post with the society in 1914, served for many years as secretary of the medical section of the National Fraternal Congress, relinquishing his position three years ago.

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